

**BUREAU OF EDUCATION
INDIA.**

**OCCASIONAL REPORTS
No. 12.**

**GRANTS-IN-AID TO SCHOOLS
IN BRITISH INDIA**

EDITED BY
J. A. RICHEY, C.I.E.,
Educational Commissioner with the Government of India.



CALCUTTA
SUPERINTENDENT GOVERNMENT PRINTING, INDIA
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PREFACE.

The object of this report is to present in a single volume the various regulations in force in the different provinces of India and Burma for the distribution of grants-in-aid of education from public funds. Together with each set of regulations is included some account of its origin and application. For these accounts I am indebted to the Directors of Public Instruction in the several provinces whose valuable assistance I take this opportunity of acknowledging. I have prefixed an introductory chapter dealing shortly with the development of the grant-in-system in India, and the principles underlying it.

It is hoped that this summary of the very varied experience of the different provinces may be found of use when the revision of any particular system is undertaken.

J. A. RICHEY,

*Educational Commissioner
with the Government of India.*

DELHI,

21st December 1922.

Grants-in-Aid to Schools in British India.

CHAPTER I.

Introductory.

Early History.

The grant-in-aid system was first introduced into India by the Board of Education of the Bombay Presidency. The Board, finding themselves in 1852 with a recurring allotment of less than two lakhs from which to finance their activities and having very liberal and progressive ideas as to their responsibility for education in the Presidency, adopted the plan of subsidising private schools in order to spread their financial assistance over as wide an area as possible. This "partially self-supporting system," as it was called, proved so successful that the Governor, Sir Henry Pottinger, on his transfer to the Governorship of Madras proposed to introduce the system in that Presidency also; but his proposal did not commend itself to the local council of education.

The despatch of the Court of Directors of September 1854 was the first authoritative pronouncement in favour of adopting the principle of grant-in-aid as the basis of the Indian educational system. The Court of Directors were moved to recommend this policy, which was indeed strictly in accord with the educational ideas of the time, by two practical considerations, firstly the insufficiency of the funds available for education, and secondly, their desire to make use of the indigenous schools of the country.

At the same time they recognised that the grant-in-aid system by itself was not a perfect instrument for the spread of education in India. They say in their despatch: "In order fully to carry out the views we have expressed with regard to the adequate provision of schools throughout the country it will probably be necessary for some years to supply the wants of particular parts of India by the establishment, temporary support and management of places of education of every class in districts

where there is little or no prospect of adequate local efforts being made for this purpose; but where nevertheless they are urgently required."

They regarded this alternative however as a temporary expedient and they looked forward "to the time when any general system of education entirely provided by Government may be discontinued with the gradual advance of the system of grants-in-aid."

By 1859 the weakness of the grant-in-aid system as an instrument for the spread of popular education had already been discovered. The Secretary of State in his despatch of April 7, 1859, writes: "On the whole Her Majesty's Government can entertain little doubt that the grant-in-aid system as hitherto in force is unsuited to the supply of vernacular education to the masses of the population; and it appears to them, so far as they have been able to form an opinion, that the means of elementary education should be provided by the direct instrumentality of the officers of Government according to some one of the plans in operation in Bengal and the North-Western Provinces or by such direction of those schemes as may commend itself to the several local Governments as best suited for the circumstances of different localities." The Secretary of State did not however declare finally against the grant-in-aid system as a means of providing elementary education; and the lack of any authoritative ruling in favour of either public management or grant-in-aid led to the adoption of different policies in different provinces.

Change of policy from 1882 to 1913.

The whole position was reviewed by an Education Commission in 1882-83. The Commissioners recognised "that the relation of the State to secondary is different from its relation to primary education in that the means of primary education may be provided without regard to the existence of local cooperation, while it is ordinarily expedient to provide the means of secondary education only where adequate local cooperation is forthcoming." They pronounced unhesitatingly in favour of the grant-in-aid system for secondary education, and although they did not absolutely condemn public management they showed very clearly their preference for the grant-in-aid system for primary education also. Consequently, even in those provinces where board schools were established, they were for long looked upon rather as model

institutions and as supplementing, where needed, the work of aided schools than as the basis of the primary school system. The recommendations of the Commission were accepted by the Government of India and in a resolution issued in 1904 they declared their policy to be "the progressive devolution of primary, secondary and collegiate education upon private enterprise, and the continuous withdrawal of Government from competition therewith." The first definite pronouncement of the Government of India in favour of public management as opposed to grant-in-aid was made in the Resolution of 1913 on Indian Educational Policy. For secondary education it is true the Government of India adhered to the policy of grant-in-aid, moved thereto not by any belief in the inherent superiority of private over State management, but by preference for an established system and above all by the necessity for concentrating the direct energies of the State and the bulk of its available resources upon the improvement and expansion of elementary education. In this sphere they say "expansion should be secured by means of board schools except where this is financially impossible, where aided schools under recognised management should be encouraged." They at the same time agreed that in some tracts liberal grants might be given to religious institutions which undertook to give secular instruction.

Some explanation for this change of policy, for it is nothing less, is to be found in the development of educational theory.

Although nowhere specifically so stated by the Court of Directors nor by the Education Commission of 1882 it is clear that the grant-in-aid system was originally based upon the principle that it is the duty of parents to provide education for their children and their right to determine the kind of education which their children should receive, the duty of the State being to give aid where needed towards the provision of such education and its right, in view of the aid which it gives, to exercise some supervision over the education provided. [In the resolution of the Government of India appointing the Education Commission of 1882 it is expressly stated that "it is no doubt right that persons in good circumstances should pay the full cost of their children's education, or, at any rate, that no part of this should fall upon State funds."]

It is obvious that a system of education based on this theory can be entirely successful only in a community in which all the parents recognise their duty and are capable of exercising their right. With the growth of the realisation, particularly in democratic countries, of the importance of education to the State as contrasted with its benefit to the individual, the relations of the State and of parents towards education have been gradually reversed. Modern systems of education are based upon the theory that it is the duty of the State to provide, so far as its means permit, education for its future citizens and to see that that education is good; the duty of the parents being confined to supplementing the work of the State and their right to influencing through representative bodies the character of the education given.

Comparison of developments in England and India.

In England where the stages of progress from the original to the present position have been marked by legal enactments, the evolution of the modern system is more easily traceable than in India. In the sphere of primary education we find the State first increasing its grants to private schools, then establishing schools under public management, then assimilating its control over the two classes of institutions and finally introducing free and compulsory education. In the sphere of secondary education the operations of the State have been restricted for financial reasons to the distribution of aid from public funds to a limited number of institutions and to the establishment of scholarships; though legal provision has recently been made for a further step in advance, namely, the establishment of continuation schools and the enforcement of attendance therein.

In India progress along the same lines has been retarded by reason of the immensity of the problem and the inadequacy of the resources available for its solution. While there has not been, nor is there likely to be, any departure from the system of grant-in-aid in the sphere of secondary (the few existing Government schools are intended to serve as model institutions), this system has been, slowly at first, more rapidly in recent years, superseded in the sphere of elementary education by a system of publicly managed primary schools as was foreshadowed in the Secretary of State's despatch of 1859.

The Commission of 1882 seem to have recognised, though reluctantly, the inevitability of this change when they wrote:

" while every branch of education can justly claim the fostering care of the State, it is desirable, in the present circumstances of the country, to declare the elementary education of the masses, its provision, extension, and improvement, to be that part of the educational system to which the strenuous efforts of the State should now be directed in a still larger measure than heretofore," and in their elaborate recommendations regarding the rights and duties of local boards in respect of primary education. It was not till 1913 that the policy of expansion primarily by means of board schools supplemented where necessary by aided schools was definitely accepted. There are still provinces in which the primary school system is based upon grants-in-aid. Only within the last few years has legal sanction been given for the introduction of compulsory education by local option.

Grant-in-aid in primary and secondary education contrasted.

The gradual supersession in India of the grant-in-aid system for financing primary education and its retention in the sphere of secondary education can be justified on practical no less than on theoretical grounds. Advocates of this system advance as a practical argument in its support that it encourages local effort and is therefore economical. Now the local effort which leads to the opening of a primary school is in the vast majority of cases different in character from the local effort shown by the founders of a secondary school. Leaving out of account those schools which are started primarily from religious motives such as, mission schools, maktabas and the monastic schools in Burma, we find that primary schools in India are usually started by individuals who hope to earn a livelihood by teaching. They are not founded with a view to meeting any educational need (except in so far as the prospective teacher naturally chooses a locality where he is likely to secure pupils) but from motives of personal gain. On the other hand the opening of a secondary school is ordinarily due to the concerted action of a group of public spirited persons in response to a local educational demand. The managers cannot hope to make any material profit from the undertaking; indeed they must be prepared, particularly in the initial stages, to incur considerable expense from their private means. Local effort in short in the sphere of primary education, usually connotes the effort of an individual in the hope of gain; in the sphere of secondary educa-

tion it connotes common action in the public interest.* Even when local support in the shape of subscriptions has been forthcoming towards the opening of a primary school, this is almost invariably withdrawn or reduced when a grant is made to the school from public funds, so that it has been found in practice impossible to insist on such contributions as a condition of grant. On the other hand, it is usual to make the grant to a secondary school conditional on some contribution being made from private sources and local cooperation to the extent at least of maintaining suitable premises can be guaranteed by this means.

But it is as a means for diffusing and improving primary education that the grant-in-aid system has proved least successful. In early days when educational expansion was carried out by the attraction of existing indigenous institutions into the public school system no better instrument for the purpose than grant-in-aid could be devised. But that time is past. As a stimulus to the establishment of new primary schools where they are most needed grants-in-aid are ineffective. It has been noted that no intending teacher is likely to open a primary school where the attendance of pupils is uncertain. Consequently we find private or aided schools multiplying and competing with each other in the more educationally advanced areas, while those which are in most need of education are left untouched. This objection does not apply to a secondary grant-in-aid system. The need for higher education does not arise except in centres where elementary education has obtained a firm foothold. Experience has shown that where this need arises local initiative will be forthcoming to start a secondary school.

Again the efficiency of a primary school depends upon the ability of the teacher. Where the teacher is himself the manager of the school, as is the case in nearly all aided primary schools, he is irremovable. The grant to his school may be so varied as to stimulate him to greater effort; but no manipulation of grants can convert into a good teacher one who is naturally incompetent. The complete withdrawal of the grant may, and probably will, result in a bad school being closed; but there is no guarantee that the next person to open a school in the locality will be any more competent than his predecessor. Contrast this position with that of the aided secondary school. Here

*For a similar contrast compare the motives which have led to the establishment and maintenance of public and preparatory schools in England.

the teachers are employees of the management. It is possible, indeed it is usual, so to adjust the grant to a secondary school that the managers are encouraged to employ qualified teachers and to offer them satisfactory pay. In fact grant-in-aid can be used as a powerful lever to promote efficiency in secondary schools.

General characteristics of all good grant-in-aid systems.

I have now very briefly indicated the important part played by grants-in-aid in the development of Indian education and have also attempted to illustrate some of the advantages and some of the disadvantages attendant on the general acceptance of this policy. The success of any particular system of grant-in-aid depends however very largely upon the method by which the grants to institutions are assessed. The provincial regulations which will be found in the succeeding chapters show that in this matter the greatest variety is possible. In order to assist the reader to appreciate the reasons for these variations I propose to enumerate some of the many factors which must be taken into consideration when grant-in-aid regulations are framed, describing incidentally a few of the best known systems.

Every good system of grant-in-aid must in the first place be sufficiently elastic to allow for variations in the amount of grant to suit local conditions and the size and character of the institutions aided. It should on the other hand be sufficiently rigid to preclude any suspicion that one school is more favourably treated than another and to ensure to the managers of a well conducted school a more or less stable income.

All Governments lay down preliminary conditions for the award of a grant to any school. To qualify for aid from public funds a school must fulfil a local educational need and its financial position must be such that it cannot be maintained efficiently without the help of a grant: it must be open to inspection by Government and must conform to the general rules laid down by Government for aided schools. The foregoing conditions, although not always explicitly incorporated in the grant-in-aid rules, are required to be fulfilled by all schools accepting aid from public funds, nor can any exception be taken to them.

Analysis of various factors used for assessing grants.

The other conditions required of aided schools depend on the systems employed for calculating grants. These systems

vary according as they adopt one or more of a variety of factors as the basis for the assessment of the grant and further according to the emphasis which they assign to the different factors used in the assessment. The following are the principal factors which may be used in such calculations with some account of their relative importance.

The grade of education provided.—No system excludes this factor. The rates of grant-in-aid, however, assessed, differ for secondary schools and for primary schools. In most systems the differentiation is carried further, different rates of grant being assigned to the different departments of a school, or even to the different sub-divisions of a department. The tendency in recent years has been to adopt as large a unit as possible, usually the school department, high, middle or primary. The grade of education cannot, however, be used as the primary basis for assessment.

The size of the school.—Obviously some account of this factor must be taken whatever methods are used for calculating grants. It has been and is still in many systems adopted as the main basis of assessment. In its simplest form a certain sum is allotted for each pupil in regular attendance at a school during the school year and the management receives at the close of the year a grant equal to the aggregate of these allowances. The chief merit of this system is its simplicity and its apparent fairness. The cost of a school must vary in proportion to its numbers and each unit of grant is assumed to represent so much education given to an individual child.

In actual practice this "capitation system" cannot be adopted without modification. The cost of educating a child in a secondary school is clearly greater than that of giving him an elementary education, so that the first factor (grade of education) is invariably brought in to modify the rate of capitation grant. This detracts from the simplicity of the system.

Again the cost of running a school does not actually vary in exact proportion to the number of children in attendance. For example, if owing to sickness in any year the number of children in a class falls from 35 to 30 the pay of the teacher cannot be proportionately reduced. The annual fluctuations in the grant do not therefore correspond to the slight annual variations in the cost of running the school.

In so far as this system encourages school managers to induce children to come to school it is good. But in that it

encourages them to have as large classes as possible without regard to the capacity of the teachers and to make unjustifiable promotions in order that the children may earn the higher rates of grant payable in higher departments it is harmful.

The system, though still applied to many primary schools in India, is not suitable for application to rural primary schools. The temptation which it gives to the poorly paid teacher of a rural school (and the pay of such teachers is proverbially poor) to collect small children to sit in school merely for purposes of grant is often too great to be resisted. There is little doubt that in many schools off the beaten track which are rarely visited by inspecting officers the attendance registers are far from reliable.

When this factor is adopted as the sole or the principal basis of assessment the quality of the education provided is entirely subordinated to considerations of quantity. A grant calculated on this basis provides no incentive to the management of a school to strengthen the staff either numbers or qualifications, still less to increase their pay. This factor therefore, though it must to some extent enter into all calculations of grant-in-aid, is only in rare cases even when modified by "grade of education" adopted as the sole basis for assessment.

The salaries of the teachers.—The "salary grant system" which depends on this factor alone for the assessment of grants had at one time a large vogue in India and its merits and demerits are very fully discussed by the Education Commission of 1882 in their report. Under this system the grant paid to a school is equivalent to a fixed proportion of the aggregate of the salaries paid to the staff subject to certain conditions as to the maximum and minimum salaries to be paid to teachers possessing particular qualifications. The advantages claimed on behalf of this system are that it encourages managers to employ a qualified staff and to pay them well. It therefore conduces to efficiency: the grant is easily assessed and is not liable to any considerable annual fluctuations.

On the other hand this system has certain obvious defects. It assumes as the sole basis of assessment what is after all only one of the factors determining the efficiency of a school. Its very simplicity, as in the case of the capitation system, is to some extent a defect. The grant is fixed automatically. There is no latitude for variation and consequently no incentive to the school authorities to improve either the attendance

or the material condition of the school or the quality of the instruction given beyond the bare minimum necessary to qualify for grant-in-aid. Moreover it clashes with the "proportionate system" of which mention is made later the great defect that it favours the richer school at the expense of the poorer.

The quality of the teaching.—It is clear that this factor is one which it is very difficult to assess quantitatively; and for the calculation of a given sum of money, i.e., a grant, a numerical factor is required. Not only will the standard of teaching required by different inspectors differ, but the judgment of any one inspector on the merits of different schools is liable to be influenced by various extraneous considerations.

In order to eliminate as far as possible the personal equation the system of "payment by results" was introduced in England and was afterwards introduced into this country in 1855. Under this system the individual pupils are examined annually by an inspecting officer and a fixed grant is given to the school for each pupil who is judged by the inspector to have reached a certain prescribed standard of efficiency. This system was recommended for general adoption in primary schools in India by the Commission of 1882. It has been gradually displaced in every province by better systems, though it was in force in Burma and, in a modified form, in Assam till a very recent date. Its merits were very fully discussed by Mr. Orme in the Quinquennial Review of Indian Education for the period 1902-07. The system is now universally discredited and it is therefore unnecessary to reproduce this discussion. Apart from its simplicity and impartiality it was claimed for this system that it acted as a powerful stimulus to efficient teaching. But the merits of a school can not be judged solely by the success of its pupils at examinations and in so far as it made examinations the main object of the thoughts alike of pupils and of teachers it exercised a baneful influence on the teaching in aided schools. The importance attached to examination results in Indian education is already sufficiently great without any additional pecuniary value being assigned to them.

Besides the mechanical "payment by results system" various attempts have been made to give some value to the factor of efficient instruction in the assessment of grants. In some parts of India, after the grant to a school has been calculated by means of other and more mechanical factors such as capitation and salaries, the inspector is given a discretion to vary the total grant within certain fixed limits on a consideration

tion of the general efficiency of the school: Provided that the variations in the grant are so restricted that the management of a well established institution may count on a stable minimum income from this source, there is much to be said for this plan.

The "*fixed grant*" system, which is in force in parts of India, is an attempt to assess grants not on any one particular factor but after a comprehensive view of all the circumstances and needs of each institution. It was strongly recommended by the Commission of 1882 for employment in the case of secondary schools. This system possesses many advantages. The grant assigned to each school should be sufficient and not more than sufficient for its actual needs. Due allowance is made for local conditions. Encouragement can be given in the shape of larger grants to schools in poor and backward areas. In short the maximum of elasticity is obtained under the fixed grant system. One special feature of it which might usefully be borrowed by other systems is the extended period, usually 3 years, for which the grant is fixed. The management of a school is thereby enabled to count on a steady income for a longer period than is ordinarily possible under other systems, a matter of no small importance when a staff is being recruited and their salaries determined.

The Government of India in their resolution on Indian Educational Policy (1913) clearly advocated this system.

The fixed grant system has, on the other hand, one notable disadvantage in that it relies upon a purely arbitrary method of assessment. There can be no guarantee to Government, more especially when grants are assessed by different inspecting officers, that the sums allotted for grant-in-aid from public funds are distributed impartially and to the best advantage. Still more is this assurance of impartiality required by the managers of aided schools. Unless the inspecting officer lays down for himself, in default of Government orders, some general rules for the calculation of grants, any notable variations in the amounts assigned to different schools of the same type cannot but give rise to complaints of unfair treatment. In short the fixed grant system requires that supplementary instructions be issued to inspectors to guide them in the assessment of grants; and this detracts from its simplicity.

The foregoing objections to this system do not hold good when it is applied to any small class of schools, the grants to which are assigned by a single officer. Consequently the

fixed grant system is in vogue in most provinces for assessing grants to European schools. In this restricted sphere it apparently works well.

The income of a school from private sources.—One of the underlying principles of all grants-in-aid is the encouragement of local effort and it is therefore not unnatural to make the amount of a grant proportionate to the amount of local effort forthcoming, nor it is easy to compute this amount except in terms of cash. Fees are sometimes included in calculating the income of a school from private sources and not infrequently they constitute the only reliable or permanent ingredient in this class of income.

Under the "proportionate system" in its simplest form the grant bears a fixed ratio, e.g., 50 per cent. or 66 per cent., to the income of the management from other sources. If the object of a grant were to elicit local response and if this response always took the form of recurring subscriptions, then no better system could be devised to attain the desired object. But as a matter of fact the encouragement of local effort is only a secondary object of the award of a grant, its primary object being to assist the management to maintain an efficient institution. Consequently the factor of private income, though it is still used in some parts of India as a basis of assessment, requires modification before it can operate successfully.

Grants given on this basis will be much greater in the case of rich schools than in the case of schools in poor and backward areas. The system thus tends to accentuate inequalities and, since the annual allotments for grants are limited, to favour the rich at the expense of the poor. Moreover it is not the case that local effort can be gauged by the amount of annual subscriptions. Much local effort may have gone into the collection of funds for the building and equipment of a school, while the time and devotion required of the managers of a well run school, though not convertible into terms of money, are not negligible items.

One abuse arising from the operation of this system cannot escape mention. It has been found that when local recurring subscriptions are insisted on as a condition of grant these subscriptions sometimes represent enforced contributions from the staff in the shape of unauthorised deductions from their nominal salaries.

The danger of relying on this non-educational factor to the exclusion of such important factors as the size of the school, the quality of the instruction and the salaries of the staff is evident.

A modification of the "proportionate system" is that which makes the grant bear some fixed relation to the "approved expenditure" of the institution. At first sight this might appear to be closely related to the "fixed grant system" in that before deciding what should be classed as the approved expenditure of an institution it is necessary to examine all its circumstances and needs. Actually there is little in common between the two systems, for the fact that under the "approved expenditure system" some fixed proportion of the cost of maintenance must be borne by the management makes the amount of the grant depend on the income of the school from other sources. The introduction of the factor of "approved expenditure" may serve to limit the amount of grant in the case of rich schools (though in actual practice the difficulty of determining what expenditure may or may not be classed as "approved" weakens this check), but it cannot operate in the case of poor schools to increase the grant beyond the proportion fixed. Supposing for example that the rate of grant is fixed by the regulations at two-thirds of the approved expenditure. If the management of a school can only provide Rs. 1,000 a year towards its maintenance, their grant is limited to Rs. 2,000, though an income of Rs. 4,000 a year may be required to maintain the school in a state of efficiency. If on the other hand the management are able to provide Rs. 2,000 per annum from their own funds, they qualify for a grant of Rs. 4,000, and they will almost certainly receive more than the balance of Rs. 2,000 which would suffice for the efficient conduct of the school.

The material conditions of a school.—This factor, *i.e.*, the suitability of the school building and the adequacy of the equipment is sometimes taken into account when grants are assessed. Ordinarily if used at all it is used as a negative factor limiting the grant. For example, deductions are sometimes made from a grant assessed on other factors if the school buildings are unsuitable or overcrowded.

In the foregoing summary some description has been given of most, if not all, of the factors which can be used for the assessment of recurring grants to aided schools and some account has been given of the simpler systems of grant-in-aid based on the use of one or more factors. From this description

it may be deduced that a good system of grant-in-aid will employ more than a single factor for the assessment of grant and that the excellence of the system will largely depend on the correctness of the value which is assigned to each factor.

Capital Grants.

No such variety or complexity is found in the systems under which grants are given for buildings and equipment. Usually these are assessed on expenditure, the amount of grant being proportionate to the sum provided by the school management from other sources. The percentage may vary from one-half to one-third of the necessary expenditure, the former percentage being more usual in the case of equipment grants.

Certain conditions are ordinarily attached to a building grant such as that the management of the school shall refund to Government an amount equal to the grant in the event of the school being closed or the building diverted to other uses. In some provinces a useful provision is made for the employment of the Land Acquisition Act to enable schools under private management to purchase land or buildings which the owners are unwilling to sell on reasonable terms. The whole or part of the purchase money is made over by the school managers to Government which acquires and retains the property, leasing it to the managers for a nominal rental, the lease being subject to the usual conditions attached to building grants.

Grants to Local Bodies for education.

Apart from direct grants to schools provincial Governments also make grants to local bodies, district boards and municipalities for the support of schools which are maintained or aided by them. The systems on which these grants may be distributed do not differ essentially from the systems employed for assessing grants to individual schools. The simplest system, for example, that based on capitation, was long in force in England. The grant given to a local authority was equal in amount to the sum of capitation grants given for every pupil in regular attendance at the schools controlled by that authority. But a system based entirely upon capitation must work inequitably in the case of backward areas and the capitation grant in England was supplemented by special grants for necessitous and backward areas. This system has

not been adopted in India owing no doubt to the difficulty of checking the average attendance of pupils at small primary schools.

A "salary grant" system has been tried without much success in some provinces. Under this the contribution to a board is equivalent to a certain percentage of the aggregate salaries of the teachers employed in the schools controlled by the board. One disadvantage of this system is that the amount of the grants due from Government can only be known when the Boards submit their returns of expenditure on salaries for the preceding year. Government therefore incurs an unknown liability and accurate budgeting is impossible.

The "proportionate system" is more commonly in use. the grant from provincial revenues bearing a fixed ratio to the amount provided by the local authority from its own resources. The objects on which the money is to be expended are usually scrutinised by Government before the grant is given, so that this method of distribution approximates more closely to that which I have described above under the title of "approved expenditure system." The defects there noted have even more serious consequences when this method is adopted for the distribution of educational grants to local authorities. If the encouragement of local effort may without serious detriment to education be given undue weight when assessing grants to secondary schools, it should certainly be subordinated to the equalisation of educational opportunity in a good system of elementary education. The effect of an unmodified "proportionate" or "approved expenditure" system is to perpetuate illiteracy in poor and backward areas which are debarred by means and inclination from making satisfactory provision for education. It is true that under the Acts establishing local authorities some provision was made in most provinces, usually by regulations, for a minimum expenditure from local funds on education. This minimum varied very considerably from 3·2 of their net revenue (excluding Government grants and certain special items) in the case of Bengal municipalities to 25 per cent. in the case of district boards in the North-West Frontier Province. Other means of fixing this minimum expenditure were employed in other provinces. But these provisions have never been very strictly enforced and since the report of the Decentralisation Commission which advocated a relaxation of Government control over local finance they have very largely remained in abeyance. In any case these regulations did not ensure that the provision made by

a local body for education should bear any relation to the number of children in its area requiring schooling.

Under the "proportionate system" any expenditure above the recognised minimum is dependent not only on the interest of the local authority in education, but also on its resources. The offer of an enhanced Government grant cannot enable a board to spend more from its own funds on education if its income is stationary and is already allotted to the various services which it is its duty to maintain.

This difficulty was realised when Primary Education Acts were recently introduced in various provincial legislatures authorising the introduction of compulsory education by local option. The proportionate system has generally been adopted for the distribution of the grants made under these Acts; but, in order to enable local authorities to take advantage of the grants offered, provision has been made in some of the Acts enabling them where their resources are limited, to raise additional taxation in order to meet that portion of the new expenditure which must be provided from local funds. In provinces where no such provision is made in the Primary Education Acts local bodies are empowered by separate legislation to impose special or additional taxation for educational purposes. It is not difficult to justify the adoption of the "proportionate system" in this case since the theory underlying local option is that the cause in which it is exercised must be one on which the local community feel so strongly that they are prepared to make special sacrifices for it. By empowering local authorities to raise additional taxation for the purpose of introducing compulsory education the fundamental objection to the proportionate system, namely, that its effect is limited by the stationary nature of local revenues, is removed.

Relative responsibility of Government and local bodies for providing elementary education.

It may be and has been suggested that the same expedient should be adopted for the extension and improvement of elementary education on a voluntary basis.

This opens a wide question, *i.e.*, the relative responsibility of Government and local bodies for the provision of primary education, or as it is more usually put;—Is elementary education, to be looked upon as a national or a local service? The decision of this question depends in part on the system of

public finance. I have stated earlier in this chapter that the equalisation of the facilities for primary education is of more importance than the encouragement of local effort, especially where local initiative is likely to be weak. In earlier days Government and in later times local bodies have been encouraged to start primary schools under their own management without waiting for local initiative. This has tended in recent years to equalise educational opportunity within the area controlled by each local body. But the financial position of local bodies is in itself very unequal. Even if power were given to them to raise additional revenue for education, the poorer and more sparsely populated areas, granted that they were willing to tax themselves for this purpose, could not hope to compete in the matter of quality at any rate with the richer and more populous districts. The recognition of the national importance of elementary education therefore justifies Government in giving larger grants from provincial revenues to backward areas with a view to establishing a uniform minimum standard of education over the whole province. This tendency, *i.e.*, for the central government to contribute to local funds for education grows rapidly with the extension of democratic forms of government. How far it is legitimate to go depends on the relative financial positions of the central government and local bodies. It would add disproportionately to the length of this volume to discuss this question at length. It is interesting to note that different solutions have been adopted in different countries. In France, for example, the direct charges for primary education are met by the State, except in the case of the larger municipalities; only indirect charges, such as the maintenance of school buildings, being left to local funds. On the other hand, in Prussia and other German States before the war over 70 per cent. of the cost of elementary education was met from local funds but this was rendered possible by the fact that the Central Government had surrendered certain of its taxes, *e.g.*, the land tax and the building tax to local bodies in order to enable them to meet their educational charges.

The English system.

Lord Goschen attempted to introduce a similar system in England without success. The system at present in force in that country throws the responsibility for financing elementary education primarily on local bodies, though Government undertakes to meet a certain proportion of the approved ex-

penditure of each local body. Various factors are used for the calculation of the grants and special grants are given to backward areas. But broadly speaking the English system does not differ materially from that described in these pages as the "proportionate system." As any student of recent educational developments in England will know the system has recently undergone severe criticism. The following extracts from the first interim report of the Geddes Committee on national-expenditure deal with this question:

"Where in 1913-14 fixed or *per capita* grants were in force, they have now been largely replaced by percentage grants, while new grants introduced since that date have almost invariably been on the latter basis. The percentages vary from 20 per cent. to 75 per cent., the most frequent figure being 50 per cent.

The advantage claimed for the percentage grant system is that it provides a stimulus to authorities to improve the efficiency of their services; in fact, it is a money spending device.

The vice of the percentage grant system is that the local authority, which alone can really practice economy in these services, loses much of its incentive to reduce expenditure, especially when the larger proportion is paid by the tax-payer through the Exchequer. The deciding voice as to what money shall be spent is not that of the Government or the House of Commons, but that of the local authorities. The Departments are thus in great difficulties in framing estimates, for these are based on anticipations not of what the Department itself will do but of what hundreds of local authorities may do. The weakness of divided responsibility is manifest throughout.

* * * *

"We consider that percentage grant should be abandoned in the interests of economy and be replaced by fixed grants or by grants based on some definite unit."

Recent changes of system in India.

In India till recent years the same principle which the Geddes Committee seek to emphasise was universally accepted, namely that the responsibility for providing elementary edu-

cation should rest with local authorities and that the financial liability of Government should be confined to supplementing the resources of those bodies with a view to equalising educational opportunity and to improving the general standard of elementary instruction.

Although this policy has never been openly abandoned, it has in practice been superseded in several provinces. In the Bombay Presidency, in the United Provinces, in the Punjab and the North-West Frontier Province, for example, local bodies are now only required to find a certain fixed amount for education, usually expressed as a percentage of their revenues, while Government makes itself liable so far as its resources permit for all additional educational charges. This is in fact the very reverse of the policy previously adopted. Instead of the Government grant being limited by its relationship to the sums which may be provided from local funds, the financial liability of local bodies is limited and the grant from Government is determined not by the amount contributed from local sources but by the educational needs of each area. In fact for a system of "proportionate" or "approved expenditure" grants a "fixed grant" system has been substituted. The amount of the grant is determined after a preliminary survey of the conditions and needs of each district and is usually based on a definite programme of expansion devised to cover a certain number of years. Except that the grants in the case of elementary education are so determined as to increase annually by fixed amounts the system does not differ in character from the "fixed grant system" applied to schools.

In the Punjab the resources of each board are taken into consideration in the preliminary survey of local conditions and in the case of district boards whose revenues are increasing the provincial grants are liable to revision after a short term of years and are made conditional on an increasing amount commensurate with the increasing revenues of each board being provided from local funds; the liability of each board for education being assumed in every case to be 25 per cent. of its net revenues.

This system differs from those in force in other provinces, such as the United Provinces, only in that the actual resources and potential expenditure of each district board are taken into account, as well as its educational needs before the grant is fixed.

System recommended by the Central Advisory Board of Education.

The whole question of contributions for education from provincial to local funds is as may be seen from the foregoing very brief account one of very great complexity. It was discussed at the meeting of the Central Advisory Board of Education held in May 1922 which made the following recommendations for the consideration of local Governments:—

- (1) That Government should by legislation, if necessary, take measures to ensure a minimum expenditure on elementary education in each local area; that this minimum and the portion thereof to be met respectively from provincial and local funds should be determined by Government after careful consideration of the financial and educational needs and circumstances of each area and the claims of local services other than education.

N.B.—It was recognised that in some areas, particularly in Madras, a substantial portion of this minimum expenditure not met by Government would actually be met from private funds, but local bodies should be held responsible by Government for seeing that the portion not met by Government was actually forthcoming from whatever source.

- (2) That additional expenditure on elementary education above this minimum by local bodies should be encouraged by proportionate grants from Government and for the purpose of calculating this proportion the districts should be graded according to their needs and means.
- (3) That local bodies should be encouraged to develop the higher stages of elementary education and to retain pupils throughout the full course by higher rates of grants in respect of expenditure on these higher stages.

The foregoing recommendations which can be supported on theoretical and practical grounds deserve careful consideration as a solution of a difficult problem offered by an authoritative body of experienced educationists.

In this introductory chapter I have attempted to avoid anything which might be construed into a criticism of the grant-in-aid systems actually in force in any province at present. A description of these systems will be found in the following chapters. They are constantly undergoing revision and it is hoped that the general remarks in this chapter may assist those engaged from time to time on the task of revision to avoid some of the errors which have vitiated past systems.

CHAPTER II.

Grant-in-aid System, Madras.

A. INSTITUTIONS UNDER PRIVATE MANAGEMENT.

I. Recurring Grants.

(a) *Secondary*.—Secondary Education including Second Grade Colleges.

Prior to 1899 grants were given on the "result grants" and "Salary grant" systems. In 1899 the "fixed grant" system was introduced and continued till 1906. Under this system the grant was fixed for a number of years, three to four, the amount being determined by a general survey of the circumstances and needs of the schools aided.

Since 1906 grants have been considered as supplementing the income for general purposes guaranteed from endowments, subscriptions, donations and other private sources. This excludes any income that may be hypothecated to special objects for which grants are available under other provisions of the Grant-in-Aid Code and any income that may be appropriated by fee concessions. Expenditure however incurred by schools and scholarships up to 10 per cent. of their fee income subject to approved conditions of award is admitted. A school is aided ordinarily to the extent of an amount equal to the guaranteed income so modified. As very few schools possess endowments the system practically resolves itself into aiding a school to the extent of half the admitted net cost. Further, managements are compensated for the loss of fee income from pupils of the backward classes for whom the fee is half that for ordinary pupils.

Theoretically the grant is fixed for three years but in practice it is found more equitable to assess it afresh each year on statements of the actuals of the previous year which in the case of high schools and colleges have been audited by an approved auditor and submitted by the managements.

The assessed grants may be reduced for deterioration in efficiency and failure to remedy defects in organization, discipline, instruction and accommodation pointed out in writing at a previous inspection; insufficiency of funds; deficiency of working days, and may be reduced suspended or withheld for falsification of registers, misrepresentation, violation of any

of the conditions of recognition or aid, or other proved fraud or irregularity. There is no provision for increasing the assessed grant for exceptionally good work.

Recurring grants are also given for Medical Inspection and as contributions to approved Provident Funds.

Only schools recognised by the Department are eligible for grant and they must ordinarily have varied 180 school days in the year and have an average attendance of at least 25 pupils.

(b) *Collegiate, Colleges, First Grade Colleges.*—The amount of grant given to a first grade college is determined year by year by the Director on statements of the actuals of the previous year submitted. The general principles governing the assessment are the same as those for secondary schools but special consideration is had for the circumstances of each case.

(c) *Elementary, Elementary Education—Primary Schools.*—In the case of primary schools the "results grant" system was in vogue from 1865 to 1906.

From 1906 to 1919 the system of awarding grants to primary schools was based upon three considerations:—

- (1) the number and qualifications of the teachers,
- (2) the average attendance, and
- (3) the general efficiency of the school.

Until 1913 there was a uniform rate of Rs. 36 per annum for each teacher employed throughout the year. In 1913 this uniform rate was superseded by different rates for teachers of different qualifications. They were Rs. 36 for each uncertificated teacher and Rs. 42 and Rs. 48 for each certificated teacher of the Lower Elementary and Higher Elementary grades respectively. In 1917 the rates were further raised to Rs. 48 and Rs. 60 per annum for certificated Lower Elementary and Higher Elementary teachers respectively while Rs. 120 was given for a secondary certificated teacher. In 1919 concomitant with the abolition of capitation grants the rates were further enhanced to Rs. 48, Rs. 76, Rs. 92, and Rs. 168 for the four classes of teachers respectively, and again in 1921 the rates were raised to Rs. 48, Rs. 72, Rs. 96 for uncertificated teachers of the Lower Elementary, Higher Elementary and Secondary grades respectively, and Rs. 84, Rs. 96, Rs. 180 for certificated teachers of these grades.

With regard to (2) until 1913 capitation grants were paid at the rates of eight annas for each unit of the average attendance of the year. In 1913 the rates were raised to one rupee for each girl and for each pupil belonging to the declared backward classes. In 1919 capitation grants were withdrawn and grants were calculated solely on the number and the qualifications of the teachers employed.

Up to 31st March 1921 grants were assessed by the officers of the department on figures obtained at an annual inspection and were assigned at a conference of district inspecting officers presided over by the inspector who was the final arbiter. This conference was empowered to reduce the assessed grants by 25 per cent. because of defects or to increase it by 50 per cent. for merit. Sanction for increases and decreases in excess of these which were more particularly intended for Higher Elementary Schools and girls schools were reserved to the Director on the Conference's recommendation. Grant bills were issued by the department and except for small contributions made by some municipalities the funds were entirely provincial.

On 1st April 1921 the Madras Elementary Education Act came into operation and under its provisions the functions of the departmental officers in this regard were transferred to the District Educational Councils bodies consisting of *ex-officio* nominated and elected members. Grants are disbursed by the District Educational Council on the authority of the President from provincial funds placed at its disposal for this purpose.

To render a school eligible to receive grants it must be recognised by the District Educational Council and for teaching grant must previously have been admitted to the aided list by the District Educational Council.

(d) *Professional. Professional and other institutions.*—The amount of recurring grant paid to training, technical, industrial and art schools, home education classes, schools for defective children, sanskrit and superior indigenous schools and any other kind of special school is fixed year by year by the Director after a consideration of all the circumstances of each particular case.

Grants may also be given to managers of recognised training institutions to pay the stipends to students under training at the same rates as are paid to students in Government Training Schools.

II. NON-RECURRING GRANTS.

(a) *Secondary schools, colleges and institutions other than Elementary.*—Non-recurring grant-in-aid are made from provincial funds for equipment, for the repair and erections of buildings, for hotels and hotel rents and for acquiring land for buildings or play grounds.

Prior to 1912 grants for school buildings and for hotels were paid at one-third of the total cost. In 1912 in order to secure better accommodation for schools and to encourage managers to take greater advantage of the grant-in-aid system Government raised the proportion of grant from one-third to one-half. Since 1912 special treatment has, however, been accorded to applications for grants towards the erection of hotels and Government have sanctioned grants varying from one-half to the whole of the cost according to the special needs of each case.

In 1920 in order to facilitate a wider introduction of the teaching of science the maximum grant admissible for science buildings was raised to two-thirds of the total cost.

Prior to 1908 the Director had power to sanction half grants for buildings and equipment up to Rs. 200. The limit was raised to Rs. 500 in 1909 to Rs. 1,000 in 1912 and to Rs. 2,500 in 1915. In the year 1912 Gymnasias and games were included in the lists of objects for which a half grant might be given provided that the expenditure was to be incurred on objects of a permanent or quasi-permanent nature. In 1917 this restriction was removed and grants for games materials were admitted but limited to one-half the amount of games fees collected from the staff and pupils of the school concerned. As in the case of building grants for science laboratories the proportion of grants for equipment for science subjects was raised to two-thirds with effect from 1920. For the other purposes enumerated the proportion is still one-half.

Applications for grants for the purchase of play grounds received exceptional treatment. In 1914 a committee was appointed to consider the question of providing playgrounds for the schools in the City of Madras and Government after considering the recommendations of the Committee provided several schools with playgrounds at the entire cost of Government. Similar treatment was given to mofussil schools.

Until 1912 managers of aided institutions who received building grants were required to execute mortgage deeds as

a security for the grants given. The period of the Government lien on the property was originally twenty years but was in 1915 extended to forty years. In 1912 the rule was modified to allow of exemption from the execution of a deed and in cases where the managing bodies are considered reliable deeds are not now generally insisted on. In 1920 Government decided that to render an institution managed by a society or association eligible for grants for the purchase of land and for the application of the Land Acquisition Act the society or association must be registered under some act of the Governor-General in Council.

Under the Grant-in-Aid Code Government retain a limited claim on all articles of equipment for which a grant has been given. If an institution closes within five years from the date on which the grant was drawn Government are at liberty to purchase the articles towards the supply of which a grant was given at a valuation to be made by an officer deputed by the Government for the purpose.

(b) *Elementary Schools*.—Grants up to half the cost are given to elementary schools for similar purposes and also for providing, with the help of the villagers village schools and living quarters for teachers which remain the property of the village. Before the Madras Elementary Education Act came into operation these grants were subject to sanction similar to that under II (a). Now grants for the same purposes and in the same proportions are sanctioned by the District Educational Council from provincial funds placed at its disposal. The District Educational Councils' powers of sanction are limited to Rs. 2,500 for building grants.

B. SUBSIDIES TO LOCAL BODIES.

Prior to 1906 schools under Local Boards were treated under the Grant-in-Aid Code in the same manner as other schools.

From 1906 educational grants have been given to Local bodies entirely in the form of subsidies.

These subsidies were given either for specific purposes, e.g., the opening of a particular school or a number of schools for particular communities or purposes, erection of a particular building or buildings, increasing the pay of teachers when Government were satisfied of the need and that the resources of the local body were unequal to the expenditure,

or generally for assisting the local body to provide education. The first charge on a local body's resources were the needs of Elementary Education, Government laying down the principle that secondary education should be either self-supporting or be subsidised only by Provincial funds.

Owing to the rapid increase of demand for education of all kinds and the almost stationary resources of local bodies Government have within recent years shouldered a very large proportion of the cost of the education controlled by local bodies. The financial assistance still takes the form of subsidies. There is however at present no general subsidising principle. Each subsidy is separately sanctioned and hypothecated to a specific purpose and distributed in the manner laid down. For example in Secondary education subsidies are given for the maintenance of college and secondary schools, for the opening of new middle schools in specified places, for raising particular middle schools to high schools, for particular appointments in particular schools, for increasing the pay of masters in particular schools, for the equipment of schools, for providing hostels for particular schools and for the creation of particular posts in particular schools. The subsidy may be recurring or non-recurring. In the former case subsidies are given year by year according to the sanctioning order. In all others specific sanction is obtained for each case.

The Director's powers of sanction are practically nil, Government retaining all powers for even the smallest item.

In subventing local bodies a difference is made between schemes of expansion or improvement initiated by Government and proposals originating with the local body. In the former case Government generally undertake to meet the cost, in the latter if the proposals are approved, the financial condition and resources of the local body are carefully examined and only so much assistance given as is beyond the ability of the local body to provide or to borrow. Assistance is also given in the shape of loans on which the local body pays interest and undertakes to liquidate by instalments within a specified number of years.

Under the Madras Elementary Education Act, to local bodies which introduce compulsory elementary education in their jurisdiction a provincial subsidy is given equal in amount to the income from the education cess levied under the Act.

CHAPTER III.

Grant-in-aid System, Bombay.

Historical.

The chief grant-in-aid codes of the Bombay Presidency were issued in 1891, 1901, 1903, 1911, 1913, and 1918. The code of Regulations for European schools prescribed by the Government of India was adopted in the Bombay Presidency in 1908 with certain modifications necessary to make it suitable to the circumstances of European schools in that Presidency. It was revised in respect of minor points in 1911, 1918, 1919, and 1921.

The basis of the Bombay system until 1903 was what is known as the results system. The codes of 1891 and 1901 both awarded "results grants" at so much per pupil per standard: but the latter added grants for optional subjects, which had been ignored in the former. Capitation grants for children between the age of 4 and 7 were also given. "

In 1903 the system was radically changed and the grants were assessed on—

- (a) Building and equipment.
- (b) Attendance.
- (c) Staff.
- (d) Range and quality of teaching.
- (e) Discipline and conduct of students.
- (f) Provision for recreation and physical exercise.
- (g) Compliance with the rules laid down for the proper maintenance of school accounts and records.

In the code of 1911 no change in the system was made but the rules were amended and made more explicit, and provision was made for the free supply of books, slates, etc., for needy children in indigenous schools.

In 1913 the following changes were made—

- (a) The maximum grant in the case of primary and Anglo-Vernacular girls' schools in Sind was raised to one-half of the total expenditure.
- (b) A supplementary grant limited to one-third of the ordinary grant was allowed for any Anglo-Verna-

cular or English-teaching school for the efficient maintenance of which the ordinary grant was not sufficient. The object of the grant was to enable schools to improve their teaching staff and it was therefore required that at least two-thirds of the grant should be devoted to this purpose.

- (c) An extra grant not exceeding 5 per cent. of the ordinary grant was allowed for books, slates, etc., in girls' schools and for money or other rewards for regular and punctual attendance.

The code of 1918, which still obtains, is only a reprint of the code of 1913.

The present system summarised.

(1) Ordinarily the Government grant shall in no case exceed *one-half* of the local assets, or *one-third* of the total expenditure, of the institution during the previous official year.

(2) Primary,* Anglo-Vernacular, English-teaching, and European schools.

The grants allowed may be classified as—

- (a) An ordinary grant based upon consideration of buildings and equipment, attendance, staff, range and quality of teaching, discipline and conduct, provision for recreation and physical exercise, and adherence to the rules laid down. This grant must not exceed *one-half* of the local assets or *one-third*† of the total expenditure.‡

(b) Supplementary grants.

- (i) For Anglo-Vernacular schools and English-teaching schools for the efficient maintenance of which the ordinary grant is not sufficient not to exceed *one-third* of the ordinary grant, or *one-half* in the case of poor but deserving schools.

*In Bombay a primary school is one in which no instruction in the English language is given.

†For primary and Anglo-vernacular girls' schools in Sind the maximum grant may be raised to one-half the total expenditure.

‡Indigenous schools, Night schools, Industrial schools, and Normal schools do not come under this rule.

The maximum limit does not apply to Night schools, Technical schools, or Normal classes.

- (ii) For girls' schools—for expenditure on books, slates, etc., and for money or other rewards for attendance not to exceed 5 per cent. of the ordinary grant.
- (c) Special grants for drawing based on the results of the annual examination (*see* Schedule I).
- (d) Special grants for school furniture and appliances, libraries, scientific and other apparatus for laboratories, workshops, or gymnasia, according to the funds at the disposal of the Department not to exceed *one-third* of the expenditure to be incurred.
- (e) Building grants.
For secondary schools not to exceed *one-fourth* of the total expenditure.
For primary and technical schools not to exceed *one-half* of the total expenditure.
- (3) Indigenous schools.
 - (a) Boys' or mixed schools. A yearly grant, roughly at Rs. 2 per boy and Rs. 4 per girl of average daily attendance, not exceeding Rs. 138.
 - (b) Girls' schools—Rs. 4 per girl subject to a maximum of Rs. 276. A special grant up to Re. 1 per mensem for proper record of attendance.
 - (c) Supply of slates and books for indigent children, not exceeding Rs. 15 a year.
 - (d) Advanced indigenous schools are aided under special conditions applicable to each case.
- (4) Night schools.
 - (a) A yearly grant not exceeding Rs. 100, calculated roughly at Rs. 2 per head of average daily attendance.
 - (b) A special grant up to Re. 1 per mensem for proper record of attendance.
 - (c) For large night schools attached to mills and factories with over 50 scholars the maximum grant may be Rs. 150.
- (5) Industrial schools.
 - (a) In addition to a general grant under (1) a grant not exceeding Rs. 20 for each boy or girl above the age of ten, or (2) a grant not exceeding one-half of the fixed salaries actually paid for the teaching of

industrial subjects and for the supervision of classes in which such subjects are taught. Also the one-third limit of paragraph 1 may be raised to one-half.

(6) Normal schools. The grant is fixed by special agreement. Generally a grant equal to one-half of the expenditure is given.

(7) Special institutions. Each case is treated on its merits. A grant equal to half the salaries of the instructors is usually allowed.

(8) Colleges. Grants are allotted in accordance with paragraph (1), but the maximum grant is Rs. 10,000.

(9) European schools. In addition to the ordinary grant described in paragraph (2) (a) above.

(a) A supplementary grant not exceeding 33 per cent. of the ordinary grant may be made to any school for the efficient maintenance of which the ordinary grant is not sufficient.

Instead of the ordinary and supplementary grants a *fixed* grant may be given.

(b) Boarding grants. Rs. 12 per mensem for orphans and destitute children. Grants to cover the free-payments of poor day scholars; to be made at the discretion of the Department.

(c) Cadet grants. Rs. 6 per annum for every efficient cadet and Rs. 8 for every extra-efficient cadet.

(d) Special grants.

(i) To schools in places where there is a small or poor European population.

(ii) To new schools.

(iii) For the purchase of school furniture and apparatus, library books, etc.

(iv) For the purchase of appliances and materials for the teaching of carpentry, smith's work, cookery, household duties, short-hand and type-writing, drill, gymnastics, etc.

(v) Towards the cost of instruction in any of the subjects specified under (iv).

(vi) Towards the cost of instruction in a vernacular language.

(vii) For any other reason which Government may deem sufficient.

Definitions (Bombay).

A European school is one in which at least four-fifths of the pupils are of European or Indo-European descent.

An English-teaching school is one in which the proportion of pupils of European descent is not sufficient to constitute it a European school and which teaches the standards prescribed in Schedule C.

An Anglo-Vernacular school is one which teaches the standards of Schedule D.

A primary school is one in which pupils are taught through the vernacular in any of the standards fixed for the primary course (Schedules E to H).

Special institutions are such as Commercial schools, Sanskrit schools, Gymnastic schools, etc.

Industrial schools are classed as—

- (i) Technical schools proper which give combined instruction in theory and practice without any instruction in purely literary subjects.
- (ii) Schools which give practical instruction with little or no theory of the trade, industry, or profession they teach and which do not include any literary subject in the course of instruction.
- (iii) Schools and classes which combine literary education as an adjunct or complement of the manual or practical instruction in the trade or industry taught.
- (iv) Schools and classes which add manual training as a complement to the literary education imparted.
- (v) Girls' schools which teach an industry approved by the department to pupils who have either completed an approved course of instruction or are attending such a course in the same or some other recognised school.

Local Boards.

The award of Provincial grants to local bodies is not governed by the rules of the Grant-in-aid Code. Up to 1903 these bodies were paid grants on a system of contract, *i.e.*, fixed grants equal to one-third of the expenditure in the year preceding that in which the grant was assessed. The grants were paid to assist the bodies to discharge their obligatory duty

of making adequate provision for primary education in their respective areas and were subject to revision when funds permitted, generally about every five years. The grants were raised to one-half the expenditure with effect from 1st September, 1903. to enable the bodies to carry out an extension of primary education. The principle of basing grants on expenditure was abandoned in 1905 and additional grants were given to those that were unable to supply their educational deficiencies. In view of the increasing inability of the Boards to meet their growing expenditure Government are now bearing the entire cost of the extension and improvement of primary education in Local Board area, *e.g.*, giving Oode pay to teachers according to the revised rates of pay, opening new schools, supplying additional assistants to under-staffed schools, etc. It may be stated that the Educational funds of the Boards are inelastic, depending as they do almost entirely on local cess (which represents 15 per cent. of the total expenditure), Government grant (82 per cent.), and fees (3 per cent.). The Boards have no power to raise additional funds.

Municipalities.

In 1885 the primary schools which existed in Municipal areas were transferred from the District Local Boards to the new Municipalities. Government made what were called "Contract grants" for the assistance of Municipal Boards in maintaining the primary schools transferred to them. The schools so transferred were termed "Schools within the contract." The grant was to be equal to one-third of the Municipal expenditure on primary education at the time of the original transfer of the schools and was to be continued so long as the Municipality in each case maintained in adequate efficiency the necessary number of schools within the contract. The schools not transferred to the Municipalities, which included all Primary schools opened subsequently to the original transfer, were termed "Schools without the contract," and were aided in accordance with the rules of the Grant-in-aid Code.

In 1903 the limit of grant-in-aid was raised to one-half the total expenditure for schools "within the contract." In 1912 it was recognised that the ordinary grants fixed in 1903 had fallen far short of the limit of one-half of the gross expenditure. On this account it was decided to allow the Municipalities to participate with the Local Boards in the distribution of

certain special allotments for the benefit of primary education, provided that the aggregate of grants thus drawn did not in any case exceed the prescribed limit of one-half of the gross Municipal expenditure on that object. Subsequently in November 1912, grants were revised on this principle. The reassessment of grants, however, was only periodic, depending on the funds at the disposal of the Department, with the result that the grants continued to fall short of the half expenditure limit in the case of those Municipalities whose expenditure had increased. In 1918, therefore, the contract system was discontinued and Government grants were thereafter revised annually, the grant in any year being equal to half the expenditure in the preceding year. In 1921 orders were passed whereby the grants of those Municipalities which were proved unable to meet the increased expenditure might be raised to two-thirds of the expenditure for a period of two years. A further concession given takes the form of advance grants, to be adjusted afterwards, given to enable Municipalities to tide over temporary financial difficulties.

The above remarks apply to Primary schools only. All Secondary schools maintained by District, Local or Municipal Boards are aided under the terms of the Grant-in-Aid Code.

Remarks on the working of the present Grant-in-Aid system.

Educational efficiency being in any country largely proportionate to expenditure, and especially so in India, it is clear that the system of basing the grant on expenditure is sound. It also clearly possesses the transcendent merit of not requiring the schools to consider only the quantitative side of instruction with their attention fixed on the "results" to be scored at the annual inspection and converted into hard cash. An additional advantage is that the inspecting officers instead of assessing barren results are free to assist with constructive criticism, while, at any rate theoretically, they are more likely to allow latitude in the matter and manner of teaching instead of slavishly insisting on the strict letter of the prescribed curriculum.

At the time of the introduction of the system doubts were expressed in some quarters as to its feasibility owing to the difficulty likely to arise from undue inflation, not to say falsification, of school accounts. It can, however, be stated with confidence that these fears have not been justified. Cases of fraud have been extremely rare and, though a few managers,

generally well known to the Department, seek to swell expenditure by the inclusion of doubtful items, and some even to mystify the inspecting officers by a system of accounts that would baffle a trained accountant, there is no doubt that the bulk of the amounts admitted for purposes of grant represents genuine expenditure. It must be remembered that it is always open to the Department to decline to give a full grant in cases where it considers the expenditure excessive; it must be admitted that some schools have got larger grants than they deserved owing to failure by the Department to act consistently on this principle, but instructions are now being issued that in assessing the grant attention is to be directed to the average cost per head in each school.

In practice, the maximum grant permissible is usually given, if the funds at the disposal of the Department permit, deductions being made only for gross deficiencies after due warning given. This practice appears to be reasonable. Schools are not likely to be improved by having their grants reduced and to treat the grant as a reward (or punishment) is unsound both in theory and practice. It is very desirable that the managers should know what grant they are going to receive, and that fluctuations should be avoided. That it secures this result, except when, as in this year, the grants have to be reduced owing to curtailment of the allotment at the disposal of the Department, consequent in this case on the reductions made in the Budget by the Legislative Council, is in itself a valuable asset to the system.

CHAPTER IV.

Grant-in-aid System, Bengal.

(i) *Present grant-in-aid rules.*

There are at present three sets of rules for grants-in-aid to private institutions of which two sets I and II are applicable to Indian institutions only:

- I. Rules for colleges.
- II. Rules for schools.
- III. Rules for European schools.

1. *Grants-in-aid to colleges.*

Previous to 1905 grants to colleges were regulated by general rules which were applicable to schools and colleges alike. In 1905 a special set of rules governing grants to collegiate institutions was published. Under these rules detailed information with reference to the finances, the buildings and the general organisation of the college was required to be provided in the application for a recurring grant-in-aid, and, except in special cases which had to be submitted to Government for sanction, the annual grant to a college could in no case exceed in amount the sum to be expended from private sources (exclusive of fees).

The rules provided for the payment of special non-recurring grants to private colleges which were not in receipt of regular annual grants, but only on the condition that the Governing Body of a College thus assisted could satisfy the Education Department that the college could be maintained in efficiency and that it would be open to inspection by the Department.

Annual grants were paid in monthly instalments on the submission of bills accompanied by a certificate from the Secretary to the Governing Body of the College to the effect that all salaries due for, and up to, the previous months had been paid.

The 1905 rules came under revision as a result of the reconstitution of Bengal and of the devolution of powers from Government to the Director of Public Instruction, Bengal and from the Director of Public Instruction to subordinate officers. For sometime after East and West Bengal were

reunited two separate codes of grant-in-aid rules were in force—one for institutions in the Burdwan and Presidency Divisions and the other for schools and colleges in East Bengal. These two sets of rules have since been co-ordinated and unified.

The present rules cover two kinds of grants:

- (a) capital or non-recurring, and
- (b) annual or recurring grants.

Capital Grants to Colleges.

Capital grants comprise grants of land and money grants for—

- (1) the purchase or acquisition of land,
- (2) the purchase, construction or extension of buildings, preparation of sites, etc.,
- (3) the execution of extensive repairs,
- (4) the provision of furniture and equipment, and
- (5) in special cases the payment of debts incurred in maintaining or improving the college.

Applications for grants are to be made on a prescribed form which provides for the examination of the character, efficiency and financial stability of the institutions concerned.

The amount of a capital grant may not exceed half the amount contributed from private sources except in special cases in which the sanction of Government is required. The Director of Public Instruction is empowered to sanction capital grants under these rules up to Rs. 10,000. Grants in excess of this figure require the sanction of Government.

Government land and land acquired for a college are required to be made over to the college authorities by a legal instrument, known as a license, which has been specially devised for the purpose. Capital grants are given on the explicit condition that the plans and estimates of the buildings, etc., are approved by the Public Works Department and the Department of Public Health and the title deeds by the Solicitor to the Government of India.

Provision for securing a lien on grants.

Formerly a lien on capital grants was secured by a trust deed which was duly executed and registered. The forms of

trust deeds under the old grant-in-aid rules were, however, found by the Government Solicitor to be defective as in most cases the authorities of the school, being themselves trustees, had no power to mortgage the property to Government. The use of trust deeds has therefore been discontinued, and instead, an undertaking on an eight anna stamped paper is now taken from the authorities of the school in which they undertake to conform to such legal requirements as may hereafter be imposed by Government to secure the full amount of the grant.

Under the existing rules a deduction of 5 per cent. per annum for each year is allowed. The lien therefore ceases after 20 years.

Recurring grants to colleges.

Annual or recurring grants are given in aid of the ordinary monthly expenditure and are paid monthly on the presentation of bills drawn up in a prescribed form.

The amount of such grants may not exceed half the amount contributed from private sources except under the special orders of Government.

Grants are to be applied for, and sanctioned, on prescribed forms which as in the case of capital grants, provide for the submission of data for the examination of the financial and general position of the institution and indicate the requirements laid down by the Education Department (and the University to which they are affiliated) which must be complied as a condition of aid.

Recurring grants are usually sanctioned for a period of 3 years but they are liable to revision at any time.

All grants are given on the principle of strict religious neutrality and no preference is shown to any institution on the ground that any particular religious doctrine is, or is not, taught therein.

Grants-in-aid to college hostels.

In addition to the grants referred to above grants are also given towards the cost of the superintendence of the hostels attached to colleges. The amount of grant may not exceed three-fourths of the cost, the balance of one-fourth being met from the college funds. The allowances of the Superintendents and Assistant Superintendents depend on the number

of boarders and are calculated in accordance with the following scale:—

No. of boarders	Superintendent.	Assistant Superintendent.
	Rs.	Rs.
20 boarders or less	20	...
Between 21 and 40	30	...
„ 41 and 70	45	20
„ 71 and 100	60	30
„ 101 and 200	75	40
Above 200	90	50

The grants are sanctioned on the maximum number of boarders which the hostel can accommodate. . But the allowances as well as the grant are paid on the actual number of boarders living in the hostel. Some colleges receive fixed monthly grants for this purpose.

II. Grants to Indian Schools.

The rules for grant-in-aid to schools for Indian pupils came under revision in 1905. Under these rules the scope of Government assistance was slightly enlarged and the conditions insisted upon were made a little more exacting; for instance in the revised rules, special schools for special classes of pupils were for the first time declared to be eligible for getting Government assistance and it was provided that temporary grants might be given in certain cases in aid of school boarding houses and hostels. On the other hand the employment of graduates and trained teachers as also the restriction of all teaching carried on through the medium of English to teachers who have passed the oral examination in English and pronunciation, were made conditions of Government aid and schools applying for assistance were required for the first time to give information on the following points:—

- (a) The class of children attending the school—their race and creed.
- (b) The social position and calling of the parents of the pupils.

- (c) The names and social standing of the members of the committee of management with a statement of the classes which they represent.
- (d) The qualification of the teachers.
- (e) The nature and size of the school and a description of the surroundings of the school.
- (f) The provision made for sanitary arrangements and the sanitation of the school building and compound.

The keeping of records by every aided school was also insisted upon.

On the readjustment of the boundaries of Bengal in 1912 and as a result of a scheme of devolution sanctioned by Government granting the administrative officers of the Education Department certain additional financial powers, the rules came under revision again and the present rules have been in operation since 1918.

The general principles governing the character and the conditions of the grant of financial assistance to Indian schools remain unchanged and are essentially the same as those outlined for grants-in-aid—both annual and special—to colleges.

Kinds of grants.

There are two kinds of grants—recurring and capital. The grants are paid on the managing committees of the schools agreeing to fulfil certain conditions, and, in the case of capital grants, when the plans and estimates are approved by the Sanitary and the Public Works Departments and the title deeds of the land by the local Government Pleader. The recurring grants are given in aid of ordinary monthly expenditure.

Capital grants.

Capital grants comprise grants or leases of land and money grants for :—

- (a) the purchase and acquisition of land,
- (b) the erection, purchase or extension of buildings and preparation of sites,
- (c) the execution of extensive repairs,
- (d) the purchase of furniture and equipment, and
- (e) the payment of debts in special cases.

The amounts of grants—recurring or capital—are subject to the following limits:—

High schools for boys. The grants do not ordinarily exceed one-half of the amount contributed from private sources.

Middle schools (boys and mixed). When the expenditure is more than Rs. 40 a month, grants do not ordinarily exceed two-thirds of the amount contributed from private sources.

In the case of all other schools, the grant does not ordinarily exceed the amount contributed from private sources. For the purposes of this rule, District Board and Municipal contributions are reckoned as receipts from public sources.

The above limit can be exceeded by the Director in special cases provided, in the case of a capital grant, the amount does not exceed Rs. 10,000.

All applications for grants to boys' institutions are submitted by the school authorities to the Divisional Inspector of Schools (through the District Deputy Inspector of Schools in the case of Middle and Primary schools), and for girls' institutions to the Inspectress of Schools. In all cases the District Officer is consulted and, if necessary, the Divisional Commissioner also.

Recurring grants.

Recurring grants are sanctioned by the Inspectors and Inspectresses of Schools. When the sanctioned budget is received, the amount provided for this purpose is distributed to them. If a grant in excess of the amount ordinarily admissible is to be given, the sanction of the Director is asked for.

Inspecting officers can also sanction capital grants up to Rs. 500 in each case subject to the limit mentioned above. For this purpose a certain sum (at present Rs. 3,000 for building and Rs. 1,000 for furniture and equipment) is annually placed at the disposal of each officer.

Grants towards the cost of the superintendence of school hostels.

In addition to the grants referred to above, grants are also given to schools towards the cost of the superintendence of the hostels attached to them. The amount of grant does not

exceed three-fourths of the cost, the balance of one-fourth being met from school funds. The allowances of the Superintendents and Assistant Superintendents depend on the number of boarders and are calculated in accordance with the following scale:—

No. of boarders.	Superintendent.	Assistant Superintendent.
	Rs.	Rs.
20 or less	15	...
21 to 30	20	...
31 to 40	25	10
41 to 50	30	15
51 to 75	40	20
76 to 100	50	25
Above 100	60	30

The grants are sanctioned on the maximum number of boarders which the hostel can accommodate. But the allowances as well as the grants are paid on the actual number of boarders living in the hostel.

Grants-in-aid of Primary Education.

Prior to 1903-04, aid to primary schools was regulated to a large extent according to the results of examinations, an exception being made in the case of schools in backward districts or working under other peculiar circumstances that justify special treatment. This system was condemned in 1901 as being uncertain in operation and tending to encourage cramming and a new system was introduced in 1902-03 in Bengal in accordance with which the remuneration of the *guru* from public funds took the form of a subsistence allowance paid quarterly and a further allowance paid at the end of the year, the latter depending on the number of pupils regularly attending the school, the nature of the instruction given and the general character of the school. In considering regularity of attendance allowance is to be made for local and seasonal conditions which might necessitate the closing of the school for certain periods of the year, such as the monsoon

ment of the quality and pay of the staff and it is a condition of such grants that they shall not be applied to the reduction of fees or of voluntary subscriptions.

Instead of attendance and supplementary grants a contribution fixed for a term of years may be made to schools under conditions determined by Government.

A special grant of Rs. 10 a month per head, in addition to maintenance grants of all descriptions, is made in aid of boarding charges to Orphanages and schools which in the opinion of the Department provide an education suitable for orphans and destitute European children. The grant is also available for the children of the European poor in places where there are no schools.

A grant may be given at the rate of Rs. 7 per annum for every Cadet, Boy Scout or Girl Guide between the ages of 12 and 16 in accordance with certain principles laid down by the Government of India.

Special grants may, at the discretion of the Department, be given to new schools and schools in backward areas for the provision of books, furniture, apparatus, etc., and equipment for teaching special subjects. The managers are required to undertake to refund the amount of any grant made for furniture and equipment if the school ceases to exist within the 3 years from the date of payment.

Grants may be given to night schools for boys provided that scholars admitted to the schools are certified by the managers to be engaged during the day in some occupation which prevents them from attending a school. Grants are calculated on the basis of average attendance.

Building grants to European schools are given on the same general conditions as are prescribed for capital grants to Indian schools and colleges. Grants under this head may not ordinarily exceed one-half of the total cost or in localities where there is a small or poor European population the maximum grant may be equivalent to two-thirds of the cost.

CHAPTER V.

Grant-in-aid System, United Provinces.

PART I.—GRANTS-IN-AID TO ANGLO-VERNACULAR SCHOOLS.

RECURRING GRANTS.

Present system.(a) *Anglo-Vernacular schools for boys.*

The following grants are made:—

- (i) Fixed grant.
- (ii) Attendance grant.
- (iii) Special grant.
- (i) *Fixed grant*—

	Rs.
For high section	750 per annum.
For upper middle section	400 „
For lower middle section	250 „
For upper primary section	150 „

(No fixed grant is allowed to any section in which the average attendance during the past year is less than 8 in the high, 12 in the upper middle and 14 in the lower middle or upper primary section. Each section consists of two classes and the grant is liable to reduction by one-half if only one of the two classes included in the section is maintained.)

(ii) *The attendance grant* is allowed according to the following scale:—

- (a) For each scholar in average attendance in the high or middle section at Rs. 3.
- (b) For each scholar in average attendance in Upper Primary at Rs. 2.
- (c) For each scholar in average attendance in Lower Primary at Re. 1-8.

(iii) *Special grants* are allowed in place of or in addition to the above two grants when the income of a school from

fees, private sources and ordinary grants is not sufficient to maintain it in efficiency. (When a special grant is made for the first year in aid of the maintenance of a school not hitherto borne on the grant-in-aid list it is called a *preliminary grant*.)

The conditions are—

- (a) The annual grant shall not as a rule exceed the difference between the annual cost of maintenance and income from fees and private sources or half the annual cost of maintenance, whichever is less.
- (b) No grant is made to a school the income of which from all sources is sufficient to maintain it in efficiency.

(b) *Anglo-Vernacular schools for girls.*

The rules laid down for boys' schools also apply to girls' schools, excepting that the scale of fixed grants in the case of a girls' school is as follows:—

	Rs.
For high and upper middle sections together	680 per annum.
For upper middle section without a high section	350 „
For lower middle section	350 „
For upper primary section	420 „

and that the average attendance should be not less than six scholars for a high or upper middle section, eight scholars for a lower middle section and ten scholars for an upper primary section.

N.B.—There are no separate rules for primary schools. Grants to colleges, normal schools, training classes for women teachers, Oriental institutions and hostels are governed by the general principle of grants-in-aid, viz., that the amount of grant shall not as a rule exceed the difference between the annual cost of maintenance and income from fees and private sources or half the annual cost of maintenance, whichever is less.

Historical.

Formerly the maintenance grants were divided into:—

- (1) Ordinary grants.
- (2) Special grants.

(1) *Ordinary grant* was of two kinds:—

- (a) *Fixed grant.* This was given at a maximum rate of Rs. 1,450 for a school having classes from the pre-

paratory to high sections. The grant for a middle school was Rs. 720 and that for an upper primary Rs. 420 and for lower primary Rs. 270.

(b) A variable grant such as—

- (1) an examination grant based on the result of the examination of the previous year. It was Rs. 22 per scholar for the high section, Rs. 7-8 per scholar for the middle section, Rs. 2 per scholar for the upper primary section and Re. 1 per scholar for the lower primary section, and
- (2) a grant for discipline and organization for each scholar in average attendance during the school year, if in the high and middle section, a sum not exceeding Rs. 3, if in either of the primary and preparatory sections a sum not exceeding Re 1.

(2) *Special grants* were allowed in addition to the ordinary grant earned (1) for a period not exceeding five years to a large high school in which a European Head Master of approved qualifications was entertained and (2) for one year only, to any school in a poor or backward district in which the local contributions were not sufficient with the fees and ordinary grants to meet the expenditure on the school.

The above rules were afterwards changed with the introduction of the Educational Code (provisional issue) and payment of fixed grants for the lower primary and preparatory sections was abolished and the rate of grant was fixed according to sections as at present in force, and the attendance grant took the place of variable grant.

II. NON-RECURRING GRANTS.

Present system.

(i) *Building.*

(ii) *Furniture.*

(i) Building grants are made for the purchase of sites, erection, improvement or repair of schools, colleges or hostels attached to them. (No grant is allowed in respect of a Primary English School.) The amount of grant should not ordinarily exceed the amount of contribution from other sources. The managers are required to certify that

funds provided from other sources are sufficient with the grant to meet all claims and close the accounts. When applying for a building grant the manager is required to submit plans, estimates and specifications of the proposed building to the Director of Public Instruction through the proper channel. Before sending them to the Director the educational officer should examine the plans, estimates and specifications with a view to find out whether they conform to the educational requirements as regards lay out arrangement and size of rooms and other hygienic requirements. If he is in doubt regarding any particular point in regard to the general suitability of the plans, he may seek the advice of the local Executive Engineer. If the Director of Public Instruction approves the project, after consulting the Superintending Engineer on any point if necessary, he forwards it to Government for approval with recommendations as regards making a grant. Advances can be made out of the sanctioned grant according to the progress of the work. The final payment is made when the work is complete and a deed of hypothecation in respect of the grant sanctioned has been executed. By this deed the property is hypothecated to Government for a period of 20 years to the effect that if the property is utilized for any other than educational purposes the Government shall have a prior lien upon it for the recovery of a sum representing such proportion of the market value of the property as the grant bears to the present market value of the property on its completion.

(ii) Furniture grants are made for the purchase of furniture, fittings, books and appliances and should ordinarily not exceed the total amount contributed from private sources. The manager undertakes to refund the amount of the grant if the institution or Department in respect of which the grant has been made ceases to exist within five years from the date of payment. He is also required to satisfy the department that the purchases in aid of which the grant is made have actually been completed and that the furniture, books or appliances are of an approved kind.

N.B.—The code allows an endowment grant not exceeding one-half of the amount given or devised for the endowment of professorships, lectureships, teacherships, scholarships, laboratories, workshops, museums and other educational objects. So far no such grant has been made.

Historical.

The principle followed in making a building grant has always been the same. The procedure, however, till lately

was that before submitting the plans and estimates for approval they were examined and countersigned by the Executive Engineer, who also approved the site. The work as it progressed was examined from time to time by the Executive Engineer and advances from the sanctioned grant were from time to time made on receipt of a report from the Executive Engineer that the work was satisfactorily progressing. The final payment was made on receipt of a completion report from the Executive Engineer. There was also a limit prescribed for the amount of grant admissible such as, grants were not made for building Primary English Schools and under ordinary circumstances the grant for a Middle school would not exceed Rs. 3,000 and that for a high school Rs. 5,000.

Effect.

The effect which the system of recurring and non-recurring grants-in-aid has produced upon the education of these provinces can easily be determined by the rapid spread of education and rise in the number of educational institutions and of pupils. The majority of the high and middle schools in these provinces are provided with good buildings and are suitably equipped. A much larger number of applications for building and furniture grants is now received than before. Though the teaching staffs of Aided institutions are not well paid, they cannot be termed to be on the whole indifferently paid.

PART II.—THE DISTRIBUTION OF GOVERNMENT GRANTS TO LOCAL BODIES.

Grants to municipal boards.

In 1913 a recurring grant of Rs. 80,000 was distributed to municipal boards. The distribution was based on the two factors of the ability of the various municipalities to contribute to expenditure on primary education and of the number of boys of school-going age whose education had to be provided for within the next few years. The main conditions attached to these grants were as follows:—

- “(1) They must be spent in addition to the current educational provision in the budget of each board.
- (2) They must be used in actually increasing the number of children taught.

- (3) Without special permission they must not be applied to improving the pay or equipment in existing schools.
- (4) They must be used in consonance with the general educational policy of the Local Government."

2. In 1916 a further recurring grant of Rs. 73,390 was distributed on the principles followed in the above distribution. Government said that there would be no interference with local initiative but laid down certain principles regarding supervision, organization and staffing of the boards' schools and the distribution of grants-in-aid to aided schools; the grants were given on the condition that there would be no deliberate departure from these principles.

3. In addition to these grants assistance was given to four boards to meet the cost of entertainment by the board of an officer to supervise educational work in that municipality. These grants were made on the following conditions:—

- "(1) That the board in its educational policy follows the general lines laid down at the time when the grant of Rs. 73,390 was distributed to municipal boards.
- (2) That the board engages an officer of adequate qualifications and educational experience. If the board is unable to secure the services of a suitable candidate the Education Department will be prepared to lend the services of one of its officers.
- (3) That the board delegates sufficient powers to the Superintendent of Education to permit of his exercising adequate control under the supervision of the educational committee."

4. Government have now agreed to give additional grants to municipal boards equal to two-third of the extra cost (recurring and non-recurring) of introducing compulsory education, including the cost of remitting fees, and are also prepared to give boards, who agree to introduce compulsory education, assistance to the extent of the total cost of bringing the minimum pay of their vernacular teachers employed in boys' schools up to the minimum rates prescribed for district boards; provided that the total contribution made by Government to the municipality on account of primary education shall not exceed 60 per cent. of the total cost of the same.

Grants to district boards.

In 1918 Government distributed to district boards Rs. 30 lakhs recurring for primary education. This amount was distributed amongst district boards according to needs. Boards were asked to draw up programmes for the progressive expansion of primary education. These programmes were revised by the Education Department and after revision the cost of giving effect to them was provided wholly by Government to the extent of Rs. 12 lakhs recurring in 1919-20, Rs. 5 lakhs extra recurring in 1920-21 and an additional sum of Rs. 5 lakhs recurring in 1921-22. These grants were given under two main heads (1) Ordinary schools and (2) Islamia sohools and makhtabs. The allotments under "Ordinary schools" were given under minor heads, *e.g.*, pay of teachers, provident fund for teachers in board schools, grants-in-aid to aided schools other than makhtabs, contingencies, scholarships and training classes. The grants were subject to the following conditions:—

- "(1) The minimum rates of pay for teachers should be those prescribed by Government.
- (2) Facilities for the training of teachers in each district should be sufficient to provide a number of trained teachers each year not less than the number of new teachers who have died or resigned and to meet the demands caused by the expansion of education.
- (3) While the grants for the boards have been worked out in detail under various heads boards will be at liberty to transfer funds between these heads, provided they observe the conditions specified in the foregoing clauses. The amounts allowed for Islamia schools and makhtabs may not, however, be diverted to any other purpose.
- (4) The amount of the grant given to a board in any one year will be the amount required to enable it to work up to the cost of its scheme for that year, diminished by the unutilized portion of the recurring grant for the previous year."

2. In addition Government distributed amongst the boards Rs. 22½ lakhs non-recurring towards the cost of primary school buildings on the principle that the amount to be allotted in any year to any particular board would be adjusted so that no board should have in hand a sum (including its own funds for

primary school buildings) exceeding Rs. 30,000, for carrying out its building programme.

3. In 1920 the Education Department drew up a programme for the expansion of vernacular secondary education in the districts. The cost of the programme was Rs. 4,04,900 recurring and Rs. 25 lakhs non-recurring. Government are bearing the whole of the cost. The non-recurring grants are being distributed according to the progress made by the boards in carrying out their building programmes, on the principle that no board should have in hand in any year more than Rs. 25,000 for the purpose.

4. In 1921 the pay of teachers in vernacular schools was considerably raised. Government met the total cost of the revision in 1921-22 (Rs. 17½ lakhs) and will meet the total cost of the revision in 1922-23 (Rs. 20½ lakhs) on the condition that in 1923-24 the boards will meet one-third of the cost, in 1924-25 half the cost and in 1925-26 two-thirds of the cost.

5. Government have assisted district boards also to give effect to schemes for the expansion of female education, and the education of the depressed classes. Rs. 61,990 recurring and Rs. 1,02,980 non-recurring were distributed amongst thirty-two district boards in 1921-22 on the condition that the boards would contribute an equal amount from their own funds to give effect to the programmes. Government met the whole cost of the scheme for the education of the depressed classes—Rs. 78,920 recurring and Rs. 7,350 non-recurring in 1921-22.

CHAPTER VI.

Grant-in-aid System, Punjab.

PRESENT SYSTEM.

A. Secondary and Primary schools and Departments under private management.

(1) *Recurring grants.*—These comprise:—

1. Block grants,
2. Staff grants, and
3. The special provident fund grant.

1. *Block grants.*—The block grant is based upon the average attendance during the three years preceding the inspection. The full rate per pupil in average attendance is:—

- (a) Rs. 3 for classes I and II.
- (b) Rs. 5 for classes III and IV.
- (c) Rs. 16 for classes V to VIII.
- (d) Rs. 24 for classes IX and X.

NOTE.—In the case of vernacular schools the rates for classes V to X are half of those given above. In girls' schools they are double for all the ten classes.

Each department of the school is considered as a single unit. In the case of schools whose instructional condition is considered only fairly satisfactory the rates are reduced by one-fourth. On the other hand in cases of exceptional merit, 25 per cent. can be added to the full rate.

2. *Staff grants.*—The staff grant is calculated on the salaries paid to the teachers and may not exceed one-third of the amount disbursed by the school authorities under this head. In boys' schools the grant is paid only to certificated teachers or graduate teachers. In the case of the latter, grants are allowed only for a period of three years from the date of their first appointment to a recognised school.

3. *Calculation of maintenance grants.*—The total grant under the heads, block and staff, conveniently called the maintenance grant, may not exceed three-fourths of the excess of the expenditure of the school on tuition over the income from fees. This expenditure consists of establishment and contingent charges to which are added the estimated value of the

services of teachers working gratuitously, the estimated rent of buildings held rent free and the rent of quarters provided rent free for the teaching staff on the condition that no aid had been given from the public funds for the purchase or construction of such buildings. The inspector is empowered to exclude items which he considers lavish.

4. *Conditions of maintenance grants.*—Maintenance grants are given subject to conditions which secure generally a certain standard of efficiency, conformity with departmental rules and regular inspection by departmental officers.

No grant is sanctioned for a school, the income of which from fees and endowments is sufficient to maintain it in efficiency; and which needs no further development to meet the wants of the locality.

The continuance, enhancement, reduction, suspension, and withdrawal of grants, once given, depend generally on the condition of the school as ascertained at the annual visit of the inspector paid for the purpose of assessing grants. To guard against undue hardship it has been ruled that if the grant to a school falls greatly below the average of previous grants through some misadventure for which the manager is not to blame, the grant earned may be raised to a sum not exceeding the grant of the previous year, or the average grant of the three previous years.

5. *Hostel grants.*—Maintenance grants not exceeding three-quarters of the excess of the approved expenditure over the receipts from boarders' fees are also made for school hostels on the condition that the average attendance for the preceding twelve months is not less than ten. To earn the full grant, the accommodation should be sufficient, the locality respectable, the sanitation satisfactory, the rooms properly lighted and furnished and the boarders effectively supervised. In the case of aided hostels for boys the fee charged should not be less than 75 per cent. of the rate fixed for the Government school hostel in the vicinity.

6. *Special Provident Fund grant.*—With a view to encouraging the institution of provident funds in aided institutions the award of a special provident fund grant has been sanctioned with effect from April 1919. The grant is payable monthly and is in addition to any maintenance grant earned by a school under the foregoing rules. The grant is assessed in April each year and is in amount equal to half an anna in the rupee of the total salaries of the authorised subscribers to

the school provident fund at the time of assessment. It is only payable on the condition that a like amount is provided by the school committee from other sources.

7. *Elementary schools.*—There is still in existence a class of school known as indigenous which receives grants under some what easier conditions. They are now known as elementary schools. They fall somewhat below the standard of efficiency prescribed for primary schools in staff, equipment or accommodation. These schools are useful as pioneer institutions in centres where the immediate success of a board school is not assured, or where a distinctly religious purpose is served. Inspecting officers are required to note that the ultimate object is to replace the elementary schools by board schools and when on religious or other grounds their retention is desirable the managers should be urged to bring them up to the level of the primary schools.

8. *Rates of grants.*—The block grant in the case of these schools also is calculated on the average attendance. These rates are :—

Rs. 2 for boys and Rs. 4 for girls with an extra Re. 1 per pupil for each industrial subject taught. The staff grant is based on the qualifications of the teacher and varies from Rs. 3 to Rs. 5 per month for men teachers and from Rs. 5 to Rs. 8 for women.

Proposals to raise the former to Rs. 4 and Rs. 7 and the latter to Rs. 6 and Rs. 10, respectively, are under consideration and orders are expected to issue shortly.

B. *Historical.*

1. *Payment by Results.*—The Education Commission which constitutes an important landmark in the history of education in this country recommended in the eighties of the last century the introduction of the system known as "payment by results." This mode of payment continued right up to the end of the last century. Under this system the award was adjusted automatically according to the number of pupils who passed examinations held in accordance with various prescribed standards. The inspection degenerated into mere examination, no time being left for appraising the general worth of the school or for affording helpful guidance to the teachers or managers in grappling with the larger and more

vital questions of organisation, discipline, and all round development on sound lines.

2. The system was fast losing its popularity and its abandonment in England prepared the way for the introduction in 1905 of the new system described in the earlier paragraphs of this note. It has retained its main features practically unaltered up to the present day. Whatever minor changes have taken place since then have left its essential characteristics untouched. The changes such as they are relate merely to details as regards rates of grant necessitated by the developments of the time; the increased insistence on the employment of trained teachers, the provision of hygienic desks and so forth. The great rise in wages and prices of material in recent years owing to war and post war conditions could not but have effect on the grant-in-aid rates. Salary grants were consequently raised in this interval from one-fifth of the salary to one-third. Similarly the condition that the maximum grant should not exceed two-thirds of the difference between the expenditure on tuition and the income from tuition fees was also relaxed in order to enable the schools to comply more easily with the suggestions made by inspecting officers for improving their general efficiency. Accordingly it is now three-fourths of the excess that may be paid in grants instead of the old two-thirds of the difference between expenditure and the fee receipts. The block grant rates in their present form were introduced in 1920.

3. *The effect of grants.*—The system sketched in the foregoing paragraphs is based on the salutary principle of self-help. It imposes on those that they may seek to come under its influence the need of spending something more than the income from fees.

4. The fraction which managers are called upon to contribute from their own resources has been and is still a variable figure. The public funds ordinarily do not undertake to pay more than three-fourths formerly two-thirds of the difference between the expenditure on tuition and the income from fees. The recent improvement in the rate of block grant leaves little to be desired so far as well established and well attended schools in the more advanced parts of the province are concerned. But the same cannot be said of new schools or schools in areas where large attendances are uncommon and teachers in view of the general rise in wages due to the operation of economic causes demand high salaries. The increased

cost of equipment, repairs and other contingencies, has also added to the difficulties of the situation. Some provision will have to be made in the near future for the relief of institutions of the type under discussion. Apart from these exceptions, the good results of the system are evidenced by the net work of flourishing schools of the aided type which is spread over the greater portion of the province. The applications that still continue to pour in from all quarters are a good testimony to the liberal character of the grant-in-aid rules. The system has given great impetus to the expansion of secondary education and it is gratifying to testify to the zeal, enthusiasm, and spirit of enterprise shown by the religious societies, Sabhas and Anjumans availing themselves of the facilities offered by the Department.

Capital grants for buildings and equipment.

(i) Under Article 71, Punjab Education Code, these grants are ordinarily limited to half the total expenditure in aid of which they are given, so that as a rule the Government grant is exactly equal to the expenditure from private sources. The grant for a high school building is usually Rs. 30,000. In some exceptional cases, however, a higher proportion of the cost is paid by Government. Grants for furniture, books and appliances are given upon the same principles.

(ii) Building grants are made after obtaining the opinion of the Deputy Commissioner of the District, and, if the amount exceeds Rs. 5,000, of the Commissioner also. The plans must be approved by the Public Works Department, the rooms must be sufficiently commodious, and the management is required to show that the school is needed in the locality, that it is likely to be efficient, that it will be open to inspection and that the necessary funds to complete the building will be forthcoming.

Government, or the Local Body supplying the funds, retains the right of recovering the amount paid on account of grant if the buildings cease to be used as a school either of the class proposed or of a higher one, if the school ceases to be open to inspection, or becomes inefficient. The interest of grant, on the local body paying the grant is secured by means of a bond which is executed by the managers before the payment is made.

Grants for buildings and appliances are not payable until the building has been completed or the appliances purchased,

but in the case of buildings, advances may be made from time to time as the work proceeds. Grants are occasionally made on similar terms for the cost of extraordinary repairs, or for paying off debts incurred in the provision of buildings.

GRANTS TO LOCAL BODIES.

A. Recurring Grants.

Historical.—Prior to 1910 there was no regular system of making grants to these bodies. The liberal subsidies granted from imperial revenues during 1904-07 rendered it possible for the Department to make large subventions to the boards for the expansion and improvement of facilities for mass education. The distribution was, however, on rough and ready lines, lump sums being handed over to the boards according to an estimate of their probable requirements, but without any guarantee that payments on the same scale would continue. No wonder then, that the Government and the boards found themselves, as the result of this haphazard system, in financial difficulties, which were accentuated by the temporary cessation of imperial grants and by the financial stress of those days in the province itself. In 1907 grants had consequently to be postponed and schemes of improvement set aside.

Proportionate Grants.—But more prosperous times were in sight. A grant of nine lakhs was received from the imperial revenues and the Government shortly after announced the "Durbar" grant. The system introduced at this period, 1910-11, was based on the salaries of teachers employed in board schools. According to it Government undertook to defray two-thirds of the salary of every qualified teacher in a vernacular school, *plus* all contributions made by the boards to teacher's provident funds, and half the cost of school repairs. The condition attached was that the teacher for whom a salary grant was claimed should be in receipt of a minimum of Rs. 15 if a head teacher, and Rs. 12 if an assistant. In addition, special recurring grants were made for backward districts, and grants were also given for capital expenditure in buildings. The net cost under this system to the boards for maintaining a vernacular school was approximately one-third of the pay of the staff employed, and still less in backward districts.

Their advantages.—These proportionate grants to local bodies not only enabled the boards to more than double the number of schools but also stimulated local effort in several

other useful directions, such as the improvement of the salaries of teachers in existing schools, and the creation of new facilities for the training of teachers.

Their shortcomings.—But the system had one fatal defect. It committed Government to an indefinite liability. Besides, it was not of much benefit to the poorer districts on whose finances even one-third of the cost of existing schools was a great burden. Hence a further change was announced in 1915. The variable grants assessed yearly under the superseded plan on the basis of salary payments and other local expenditure were converted into fixed grants—all grants given in one year became a final and recurring charge for the next year, subject to reduction for schools that might have ceased to exist. New grants for further expansion were given only for schemes previously approved by the Department and for which money had been passed by the Finance Committee of the Legislative Council. They were calculated not on the basis of individual teachers but of institutions.

The present system.—These revised rules had not been long in operation when the need for the adoption of a more vigorous policy to break down illiteracy in rural areas led to a comprehensive survey of the situation. A five-year programme of expansion was drawn up in consultation with the district boards, the ultimate aim being to establish a board school at every centre where an average attendance of not less than fifty children might be expected, provided that a distance of two miles by the nearest route should ordinarily intervene between two board schools. When the new scheme was launched there were 173 vernacular middle schools and 4,613 primary schools in the province. The five-year programme contemplated the addition of 132 middle and 1,463 primary schools, and it was estimated that expansion at the same rate for a further period of ten years would secure the realisation of the ultimate aim, viz., the provision of adequate facilities for vernacular education where such did not exist and the introduction of the principle of compulsion by local option where such facilities had been provided. In the new arrangements the Department was not to rest content with a mere increase in the facilities for mass education. Due provision was also made to see that improvement in quality kept pace with the increase in quantity. In order to secure this the scheme provided for improvements in the pay of the teachers, the conversion of inefficient indigenous schools into board schools and the strengthening of the staff in the larger schools by the appointment of assistants.

The financial aspect of the case was referred to a Committee on District Board Educational Finance. Their recommendations which were subsequently confirmed by the Government are reproduced below:—

“ All districts shall be graded in respect of their financial position and capacity. To each grade will be assigned a fixed percentage.

The maximum future grant for a particular district in each year will be the sum of—

- (i) the basic grant, *i.e.*, a sum equal to the recurring grants which it received in the preceding year; and
- (ii) an additional grant calculated by applying the grade percentage to the excess of the budgeted educational expenditure of that district for that year over the actual expenditure of the previous year, educational expenditure being understood as including that incurred on contributions to provident funds for teachers, and also the up-keep of buildings.

The actual grant made to a district board within the above maximum will be subject to the following condition:—

that the salaries of the teachers employed by the district board shall be on a scale approved by the Education Department.”

In determining the grade of a board a number of factors were taken into consideration, *e.g.*—

- (a) the proportion of its net income excluding Government grants and income from school fees which the board spends on education ;
- (b) the local rate levied by the board and its present liabilities and financial resources, actual and potential ;
- (c) its normal annual surplus ;
- (d) the actual amount of money required for the fulfilment of its five-year programme; and
- (e) the claims which the rural population had established for special support from Government; *e.g.*, by the assistance rendered in the Great War.

Taking two-thirds as a liberal estimate of what Government should contribute towards the recurring expenditure for the province as a whole, the contribution in individual

cases varies from 50 per cent. in prosperous districts such as Lahore and Lyallpur to 70 per cent. in Ludhiana, 80 per cent. to Rohtak and Kangra, while in recognition of the comparative poverty and the exceptional services of the rural population in Jhelum and Rawalpindi, Government bears the whole recurring cost of the five-year's programme in these districts.

The sources from which the boards may find the additional funds required for its educational programme are:—

- (a) the ordinary income of the board by diversion from other heads when its educational allotment is comparatively low. Twenty-five per cent. of its net income may be taken as a fair proportion for its educational expenditure ;
- (b) enhancement of the local rate where it is less than the maximum ;
- (c) the normal annual surplus; and
- (d) new taxation.

Municipal Committees continue as yet to be aided under the old system. Surveys, however, are in progress and the extension of the application of the new rules in their case is only a question of time.

The new policy of aiding district boards which owes its inception and execution to the energy and initiative of Mr. Richey has been instrumental in securing steady development in accordance with a pre-arranged plan. It has received liberal support from Government and the district boards also have made substantial progress in their expenditure on education. While the benefits of the scheme are undoubted, some modifications will have to be made, in the near future, in view of the financial strain it involves. The following quotation from the report on the progress of education for 1920-21 sums up the position:—

“ If revenues could be made to expand in keeping with the educational programme, there is no doubt that much could be achieved. There is, however, great aversion from any increase in local taxation ; and even where a ‘ haisiyat ’ tax, for instance, has been imposed, it has either not been realised or the collections are insufficient for local needs.”

GRANTS TO LOCAL BODIES.

No scheme for the expansion of mass education on systematic lines could leave out the important question of

the provision for suitably housing schools old as well as new. Government consequently announced in 1918, when Mr. Richey's five-year programme was started, that it was prepared to contribute towards the non-recurring expenditure of district boards on vernacular education at the rate of 75 per cent. of the cost of approved projects in the case of boards graded at 70 or more for recurring expenditure and 50 per cent. in the case of other boards. This proportion was subsequently (1919) raised to cent. per cent. and 75, respectively. In view of the generous terms offered and the limited nature of the available funds it was stated that a selection would be made by the Education Department of the projects received and the board would be informed for which of their projects money would be forthcoming. In making the selection the Department was to see that (a) every board shall receive a fair share of the available grant; (b) projects for which funds were not available during the preceding year shall receive precedence over all new projects; (c) preference would be given to projects towards which local contributions or private donations had been promised. Government, in conclusion, urged the importance of adopting well considered building schemes and the need for exercising as much economy and rapidity as was consistent with efficiency.

It is needless to say that the success of these beneficent measures will depend on the amount of money that will be forthcoming for the financing of the projects.

Prior to the initiation of the scheme above sketched, building grants were made to local bodies but on no settled plan. Ordinarily the share of Government towards meeting the cost of such projects was limited to 50 per cent.

Grants to board Anglo-vernacular institutions.—Until quite lately there was no recognised arrangement for grants-in-aid of Anglo-vernacular institutions maintained by local bodies. On rare occasions, however, lump sums have been given to necessitous boards as contributions towards the cost of erecting new buildings.

In accordance with the accepted policy of Government, vernacular education was to be the first object of their care, private individuals and associations under the stimulus provided by the liberal system of Government grants devoting their attention to the development of Anglo-vernacular education. This has been still further emphasised by the provincialisation of a number of board high schools quite

recently, the funds thus set free being utilised by the boards concerned in meeting the rapidly increasing bill for the programmes for the extension of primary education.

The conversion into Government institutions of the schools hitherto controlled by the boards has been effected on a purely voluntary basis.

CHAPTER VII.

Grants-in-aid System, Burma.

I. HISTORICAL.

The starting point.—The Government of Burma first undertook the supervision of education in 1866, when the first Director of Public Instruction was appointed. Standards of Instruction and rules for Grants-in-aid were laid down in 1871. These rules were revised in 1881, but the only change of any importance was that “aided non-indigenous schools,” which had previously received aid in the form of a lump sum bearing a proportion to the total expenditure from private sources, and depending on the inspector’s report, were now to have their grants calculated on the results of an examination of every class by the inspecting officer. The rules of 1881 are included in the first edition of the code, published in 1883. These make a convenient starting point.

The classification of schools was at first confusing. They were indigenous or non-indigenous, vernacular or Anglo-vernacular, high, middle or primary. From a minute on an early report it appears that the non-indigenous schools were mission schools following a curriculum more or less similar to that laid down for Anglo-Vernacular schools, and the desire to make these schools fall into line no doubt accounts for the introduction of payment by results. The curriculum for indigenous schools was a vernacular one. In the second edition of the code (1885) the distinction becomes more clear. It will be simpler to treat schools from the start as vernacular or Anglo-vernacular.

Grants-in-aid of Anglo-Vernacular Education, 1881.—Payments in aid of recurring expenditure were calculated on the results of examinations, but there were also grants for attendance, a higher rate of grant being paid on account of boarders. For each pupil who passed the departmental examinations, lower primary, upper primary, and middle school, grants were paid on each subject. Even if a pupil failed to obtain promotion, grants were paid on the subjects in which he was successful. Additional grants at a higher rate were paid for success in certain optional subjects. High school pupils and students in the F. A. classes added to the Government High school, Rangoon, in 1880, were presented

for the examinations of the Calcutta University and the grant depended on the class in which they were placed. Results grants and attendance grants paid on account of girls were 50 per cent. higher than those paid for boys. Results grants for Europeans were paid at twice the ordinary rates.

Supplementary grants "bearings some proportion to the annual expenditure on a school" might be granted to newly established schools, or to schools attended by comparatively uncivilised tribes, or to schools which were considered by the Director and the Chief Commissioner specially deserving of encouragement. These grants were limited to one-half the total expenditure, exclusive of boarding charges, in primary schools, one-third in middle schools and high schools, and one quarter in colleges.

Special grants were given for buildings, furniture and equipment on conditions similar to those which still apply to such grants.

1895.—The form of aid was modified in 1895. Supplementary grants were replaced by salary grants for certificated teachers, which enabled a school to obtain aid as soon as it was recognised. But results grants were retained, though payment of grants for partial success was abolished in 1889, and a merit grant, not exceeding one-third of the results grants, might be awarded for special efficiency. Maintenance grants appear for the first time in 1895. They might be awarded up to one-third of the total cost of the school, boarding establishment excluded, but the salary grants were included in the maintenance grant. These maintenance grants have no relation to the present maintenance grant.

The total grant to any school might not exceed the total of the contributions from private sources towards direct expenditure nor the amount of direct expenditure not covered by fees, endowments and contributions. In other words Government laid down the principle since followed, that it was not prepared to meet more than half the cost of the school, calculated according to certain principles, or permit the management to save out of grants.

1901.—Results grants (except for technical subjects) were soon afterwards abolished, and the maintenance grant went with them. In the fifth edition of the code (1901) grants were classed as (1) ordinary grants, (2) boarding grants, (3) results grants for technical subjects, (4) grants for build-

ing and equipment, (5) salary grants for certificated teachers, (6) fixed grants, (7) grants to normal schools, (8) extra grants. These last were paid for girls, for Europeans and for pupils of backward tribes in specified localities, provided they passed the examination of their standard. In 1905 special schools for Europeans were instituted and from 1909 onwards the extra grant for Europeans was paid only in European schools. Fixed grants were calculated on the average grants paid in the three years preceding and replaced ordinary, half salary, extra and boarding grants. The ordinary grant was calculated on the income and expenditure of the school. Subject to the rules in the preceding paragraph Government made good any deficit not already covered by grants paid.

The principles on which grants were to be paid to normal schools were not at first defined. The grant was a matter of arrangement between the school and the department. In the code of 1909 it was laid down that Government should pay the full salary of the head teacher and half the salaries of the remainder.

From 1901 to 1919 there was little or no change in the methods or principles of assessing the grants to Anglo-vernacular (and European) schools, though during a period of financial stress the salary grants paid by Government were reduced from half to three-eighths of the total salary in each case. In 1919 the present system was introduced.

Grants-in-aid of Vernacular Education, 1881.—Aid was given to indigenous schools in the form of results grants for each pupil successful at the examinations, higher rates being paid for optional subjects.

Salaried assistants paid by Government were also attached to approved schools on pay according to qualifications. The teacher received also a quarter of the results grants earned. These appointments were for a term only. At the end of the term the teacher might be transferred to another school, but if the villagers were willing to contribute towards his pay he might remain in the same school.

Karen schools received special treatment. Permanent salaries were paid at low rates to teachers who had passed Standard II, III, IV or V in Burmese and arithmetic and were certified as competent to manage a school. With some modifications to ensure better qualifications on the part of the teachers the special system continued till 1903.

"Private schools" managed by a master holding a teacher's certificate were eligible for attendance grants, in addition to results grants, for each pupil who had attended 100 days and passed the examination, and for a first equipment grant on opening the school.

Grants were paid to indigenous schools for building and equipment, either as free gifts or as advances repayable by instalments. Free grants were regulated according to the amount contributed by the villagers, and the building constructed with the help of a free grant was regarded as the property of the village.

In 1884 the position of certificated assistant teachers was modified. They were no longer to be Government servants, though they were to be paid either from provincial or municipal funds. In the following year, impelled thereto by the constant and rapid rise of the cost of vernacular education, Government lowered the rate of results grants and, by the addition of a lower grade to the cadre, reduced the cost of the certificated teachers. In 1888 further measures of economy were taken. Results grants payable in money to monastic schools were abolished (they were restored four years later) and the disbursing authority was empowered to refuse results grants to any school in which fees were not charged.

1901-1919.—In the code of 1901 grants for vernacular schools were thus classified:—(1) results grants—with merit grant, (2) salary grants to pupil teachers, (3) grants for building and equipment, (4) temporary salary grants, ordinarily for two years, to certificated managers of new schools. In 1894 the permanent certificated teachers had been replaced by Itinerant Teachers. In this year pupil teachers were first recognised. Fixed grants were sanctioned in 1905, boarding grants in 1908. In 1905 half salary grants to certificated assistant teachers in vernacular schools were sanctioned, and in 1911 certificated managers were entitled to permanent salary grants. In 1909 the Itinerant teachers were abolished. In 1911 a maintenance grant calculated on attendance was sanctioned, but it was never introduced into the great majority of the schools. In the same year "B" class schools were made eligible for capitation grants. These were schools teaching reading, writing, arithmetic and having regular sessions and courses of study, but not conforming to departmental standards.

Provision of funds.

At first the allocation of funds from the various sources of revenue followed no principle that can be clearly discerned. In the earliest report for 1867-1868, expenditure is classified under the heads Imperial funds, fees and "other local sources."

The last head clearly includes subscriptions and mission contributions. There was no expenditure from district cess funds on education. The Director, Mr. Hordern, calls attention in his report to the fact that one-fifth of the 5 per cent. cess on land revenue is allotted by the Government of India to Education. This fund had been accumulating since 1865, but no use was made of it till 1870-71, two years after the Government of India had ordered that it was to finance primary education.

In 1872-73 the heading Imperial funds disappears, and the classification becomes Provincial Funds, local funds or cesses, proceeds of endowments, fees and fines, and other sources. The report for 1874-75 notes that the district cess was unable to meet the charges debited to it, and provision was made in the budget for the following year for the payment of half the cost of Government primary town schools and all charges for inspection from Provincial funds. This does not appear to have been a permanent arrangement. In 1877-78 the educational part of the cess in many districts was bankrupt, though it appears from the report that "non-indigenous lower class schools" (under missionary management) were aided from provincial funds. In the report of 1879-80 thirteen such schools are shewn to be in receipt of aid from provincial funds.

In 1878-79 Government middle class schools in municipal areas and all town schools were transferred from provincial to town funds. But town funds were allowed contributions from provincial funds. This was the beginning of the attempt to enforce that principle of local responsibility which had to be abandoned, so far as Anglo-Vernacular schools were concerned, forty years later. In 1879-80 municipal grants first appear in the accounts. At the same time the distinction between indigenous and non-indigenous vernacular schools vanishes, and schools are classed according to grade as "high and middle" or "primary" and according to management as "Government" or "aided." From the 1st of April, 1882 "all aided schools and indigenous schools" (the old term re-appears) were to be financed from local funds if they were inside town limits.

This somewhat chaotic state of affairs is reflected in the annual reports and in the classification of schools, which rests on a cross division. There are two curricula, vernacular and Anglo-Vernacular, but schools are classed merely according to grade, and one learns from a casual remark in a Government minute that the schools called "non-indigenous" are mission schools following generally a curriculum similar to that followed in Government Anglo-Vernacular schools. The introduction of payment by results in Anglo-Vernacular schools seems to have been due to a desire to bring these schools into line with Government schools.

An examination of the abstract of expenditure for 1882-83 the first year under the revised grant-in-aid rules, shows that the grants to aided schools were met from district cess and municipal funds, with the exception of an odd Rs. 202 recurrent charges and Rs. 8,250 for buildings debited to provincial funds, together with the cost of European orphan, boarder and apprentice stipends and of scholarships tenable in colleges. But from the very first the theory that local revenues were to provide for the cost of education had to be bolstered up with extensive fictions. Municipal and town committees were relieved from sundry charges which they had met hitherto and received in addition grants from provincial revenues. The extent of these grants may be inferred from the rise of Municipal expenditure on education in 1882-83—Rs. 1,82,095 as compared with Rs. 33,558 in the previous years. At the same time expenditure from district cess on education fell from Rs. 64,837 to Rs. 53,350.

An opportunity of squaring facts with theory to some extent and of preventing much trouble that subsequently arose was missed in 1879, when the local cess on land revenue was doubled. By this change educational funds did not benefit, for their share of the cess was reduced from one-fifth to one-tenth and the other tenth allotted to rural posts, which might reasonably have been financed from provincial funds. In 1902 a compromise was effected. It was ordered that district cess funds should meet the cost of education up to 15 per cent. of their total income and might even spend to 20 per cent.—the proportion that should have been compulsory. Beyond that limit they could not go without the permission of the Local Government, who undertook to assist local funds that were clearly unable to bear even the 15 per cent. Thus the 20 per cent. limit, which ought to have been a minimum, became the ordinary maximum. In 1883 Gov-

ernment looked forward to the early introduction of a scheme for the control of rural schools as well as of their finances by rural boards. Events proved that the scheme was to be delayed for more than thirty years.

From the first municipalities were eager to divest themselves of their responsibilities. Moulmein was allowed in 1884 to hand over the management of educational affairs to the department, and in 1889, Rangoon followed suit. They found the burden of Anglo-Vernacular education, which naturally became concentrated in the towns, intolerable. The municipal expenditure on education was to a very large extent merely the spending of provincial subsidies. Thus it appeared to be very much larger than it really was, and not till the year 1898-99 does the expenditure from district cess funds exceed that from municipal funds as shown in the accounts. In 1901 Government had three Anglo-Vernacular schools, municipalities managed 11. It then was resolved to relieve municipalities as soon as possible of responsibility for Anglo-Vernacular education. The process of taking over municipal Anglo-Vernacular schools was complete in April 1917. From the same date provincial funds bore the entire cost of Anglo-Vernacular and European education. The latter class of schools had from their first institution in 1908 been a provincial charge. To balance this transfer the cost of vernacular education was to be borne by local funds without aid from provincial funds.

In practice, however, a clean separation was found impossible. In Upper Burma where there is no cess and where all education had been financed, except in Mandalay municipality,* from provincial funds, practically the whole cost of vernacular education is still borne by provincial funds paid in the form of contributions to local funds. In one or two frontier villages there are still Government vernacular schools. Some districts and municipalities in Lower Burma still receive aid from provincial funds, and results grants for technical subjects in vernacular schools are still debited to provincial funds. All normal schools and training classes and certain special schools are financed from provincial funds supplemented until recently by special grants paid by the Government of India. The constitution of the Divisional School Boards to manage vernacular schools with effect from the 1st April 1917 was a long step in the direction of local control. The devolution of responsibility will only be complete when

* Mandalay municipality was ordered to assume responsibility for all educational charges from April 1st, 1900.

the Rural Self-Government Act and the revised financial arrangements come into force.

In theory under the Rural Self-Government Act Vernacular education in the Districts will be financed from Local Funds administered in each District by the District School Board. How far the District Funds will still be dependent on subsidies from Provincial revenues, it is impossible for me at this stage, to say, but Government has accepted the responsibility, at least as a temporary measure, of meeting by means of lump contributions to District Funds, charges incurred by Local Educational authorities in providing instruction in English as an optional subject in certain selected Vernacular school.

II. EXISTING RULES DETERMINING GRANTS-IN-AID.

Anglo-Vernacular Schools and Schools for Europeans.

The Grants-in-aid Code.—A thorough examination of the Grants-in-aid system as it affected Anglo-Vernacular, European and Vernacular schools was made in the latter part of 1918, and a new and greatly simplified Grants-in-aid Code was issued and came into force in the following year. The Code applies to all schools under the direct control of the Education Department but not to schools controlled by local authorities. The former schools include all aided Anglo-Vernacular schools, all aided schools for Europeans, all aided Training schools for teachers and such aided special schools—*c.g.*, Technical and Commercial schools and schools for the Defective—as may most conveniently be controlled by central authority.

Grants-in-aid are of the following kinds:—

I. *Recurring Grants.*—

(i) Maintenance Grants—

(a) to schools for general education;

(b) to special and normal schools.

(ii) Miscellaneous Recurring Grants.

II. *Non-Recurring Grants.*—

(i) Grants for Buildings and Building sites;

(ii) Grants for Furniture, Books and Equipment.

The rules conditioning grants to schools for general education are the same for all schools of this class. No

distinction of any kind is made between Anglo-Vernacular schools and schools for Europeans.

The amount of Maintenance Grant paid to Special and Normal schools is fixed for each school by the Director in general accordance with the rules applicable to schools for general education. In practice the amount of the grant payable to Special and Normal schools is fixed by the Department in accordance with the needs and deserts of each school.

The Maintenance Grant.—The most important of the Recurring grants is the Maintenance grant, the rules governing which are very simple and may be given in full:—

Rules.

Maintenance Grants in schools for General Education.—Maintenance grants shall not ordinarily exceed one-half the difference between the approved recurring expenditure and the income which would have been derived from tuition fees at standard rates, minus ten per cent. for free pupils; provided that no deduction shall be made for free pupils from the calculated fee income of schools which levy fees above standard rates. Approved recurring expenditure shall include expenditure on the teaching staff, servants, rent, taxes, petty construction and repairs and all approved recurring charges other than those for which Miscellaneous grants are payable. In schools where the teachers receive no salary or a merely nominal salary, an estimated salary approved by the Director of Public Instruction may for the purposes of this rule be entered on the expenditure side of the accounts.

“Standard Rates of Tuition Fees.—The standard monthly rates of tuition fees are as follows:—Standard I (including the Infant section in European schools) Re. 1; Standard II, Re. 1-8; Standards III and IV, Rs. 2; Standard V, Rs. 3; Standards VI and VII, Rs. 3-8; Standards VIII, IX and X, Rs. 5.”

Underlying Principle.—The general principle underlying the rules is that Government and the management should contribute equal sums towards meeting the difference between income and expenditure, but as the only source of income which is taken into calculation is income from tuition fees at standard rates; as many schools—in particular schools for Europeans—levy fees at rates considerably higher than standard; and as managing bodies often have sources of income other than their general education fund, the expenditure

which is actually to be incurred by the manager may be very decidedly less than the amount contributed by Government. Further the rule is so worded as to allow the Department, for sufficient reason, to sanction a Maintenance grant in excess of the amount ordinarily payable and to afford special relief to schools to enable them to meet an emergency. In the current year extraordinary relief has been given under the ordinary rules to many Anglo-Vernacular schools whose finances were seriously affected by the recent political or semi-political disturbances.

How applied.—As one of the principal objects of the Grants-in-aid Code is to encourage managers of schools to incur expenditure calculated to render the schools more efficient, the conditions laid down in the rules are interpreted by the Department as liberally as circumstances permit; and in fact no reasonable expenditure which makes for efficiency is disallowed. Foremost amongst items of expenditure making for efficiency is expenditure incurred in paying adequate salaries to a duly qualified teaching staff. A minimum scale of salaries has been laid down by the Department, and no salary proposed to be paid to a teacher in an aided school would be disallowed if the salary were not greater than the salary which, in a Government school, is paid to a teacher with similar duties and similarly qualified.

Miscellaneous Recurring Grants.—Miscellaneous Recurring grants include salary grants for additional subjects such as Manual Training, Sloyd, Physical Training, Singing, Needlework, and any other subject approved by the Director by general order. Additional subjects are distinguished from Main subjects in that the former, though they may be compulsory (e.g., Physical Training) need not be taken into account in determining promotions.

The Salary grant for additional subjects must not exceed half the actual salary paid to the teacher of any subject other than Weaving and Drawing, to teachers of which subjects full salaries may be paid by Government.

Results grants for additional subjects are paid on the results of examinations conducted by the Department, and are fixed according to subject and standard; thus for each successful candidate from Rs. 2 to Rs. 14 for Sloyd; from Rs. 1 to Rs. 4 for Needlework; from Rs. 2 to Rs. 5 for Gymnastics and so on.

Grants ordinarily not exceeding Rs. 3 are paid on account of each pupil residing in a hostel or a boarding house attached to a recognised school.

The rules for Miscellaneous Recurring grants are retained in a simplified form from the Grants-in-aid rules previously obtaining, with the object partly of mitigating the severity of the breach with the past, particularly when the breach affects school finances, and partly to encourage the teaching of the subjects concerned. The Results grants, however, it must be confessed, constitute a survival from an essentially vicious system.

The total amount of recurring grants in any year must not exceed the difference between the total estimated income from all sources, other than recurring grants, and the total estimated recurring expenditure in the year. Sums realised by special grants, subscriptions, or donations, and placed to the credit of a reserve fund to meet capital expenditure are not reckoned as income.

Method of calculating Recurring Grants.—Applications for Recurring grants are submitted annually and are accompanied by (a) budget estimates of receipts and expenditure for the year in which grants are sought; (b) statements of actual recurring receipts and expenditure for the three years preceding the year for which grants are sought or, if the school has been established for less than three years, for the time the school has been established; and (c) a list of the staff with qualifications, general and special, in detail.

The grants are calculated on the estimates required in (a); the statements of actuals required in (b) are a guide to the Department in determining whether the estimated expenditure is likely to be incurred and the estimated income reasonable.

The statements are scrutinised by the Circle Inspector of Schools, by whom they are submitted, with a recommendation. They are then checked in the Accounts Branch of the Director's Office, and the award for each school is finally made by the Director or the Assistant Director, or by both in consultation, after an examination of the statements submitted by the management. The amount of grant payable is therefore determined, not by rule of thumb, as it was under the old dispensation, but after very careful consideration by the responsible authorities of the needs and deserts of each aided school.

Non-Recurring Grants.—The nature of the Non-recurring grants is sufficiently explained by their designation. They are grants-in-aid of capital expenditure. They are sanctioned under the usual conditions, and must not exceed (and in practice are seldom less than) half the expenditure incurred. Under the new Grants-in-aid Code the total amount sanctioned each year has been much in excess of the total sum usually sanctioned under conditions formerly obtaining.

Dissatisfaction of managing bodies.—Although the total sum sanctioned in Grants-in-aid under the new rules has been each year greater than the total sum sanctioned in any year previous to the introduction of the present Code, many managing bodies have felt aggrieved at, and have in various ways expressed their dissatisfaction with, the changes that have been made in the award of Grants-in-aid. Some managing bodies have indeed profited by the revised method of distribution, but the majority have undoubtedly been required to shoulder a greater burden of financial responsibility than they were accustomed to bear under the old rules. Something of the kind was inevitable under any rules, unless the total sum which Government is prepared to assign to Grants-in-aid of Secondary education can keep pace with the increasing demand for educational expansion and for greater efficiency, or unless a limit be set to extensive and intensive improvement in secondary education. Managers, however, not unnaturally, do not readily see matters in this light, and at a Conference recently held in Rangoon, to consider questions relating to Anglo-Vernacular education, a proposal was put forward that Government should meet the whole difference between income and expenditure in aided schools. The Conference rejected this proposal, but passed a resolution recommending that the Maintenance grant should be raised from 50 per cent. to 75 per cent. of the difference between approved expenditure and income from fees at standard rates. The recommendations of the Conference are still under consideration by Government.

University Education.

Changes consequent on the foundation of the University of Rangoon.—Until the foundation of the University of Rangoon the only grant from funds administered by the Education Department—apart from the Imperial Non-recurring grant sanctioned for the purchase of a site for the projected University and an Imperial Recurring grant of

half-a-lakh paid into the fund called the Burma University Fund—was a fixed grant payable under the ordinary rules to the American Baptist Mission College, now Judson College. The University of Rangoon Act came into force on the 1st December 1920, and the situation was entirely changed. Government still pays half-a-lakh yearly, though now from Provincial, not Imperial sources, to the University Fund, and, since no other funds are available, Government will provide and has begun to provide, funds to meet capital expenditure on University and University College buildings.

University College.—University College, formerly Government College, is no longer a Government institution, though practically its whole income, other than the income derived from tuition fees, comes from Provincial Funds, and the superior teaching staff of the College consists at present of men belonging to the Indian and Burma Educational Services, who draw their salaries in the usual way by bills on the Accountant-General. For the rest, the whole of the difference between receipts and expenditure, and also all capital expenditure, is met by Government contributions paid into the University College Fund in accordance with budget estimates drawn up by the Governing Body of the College and sanctioned by the Local Government. The University College Fund is administered by the Governing Body under rules made by itself and sanctioned by the Local Government, in accordance with the provisions of the University of Rangoon Act.

Judson College.—Government has also agreed to pay to Judson College annually for five years a fixed Maintenance grant of Rs. 62,500, being half the difference between estimated income and expenditure as approved by the University authorities. This grant is more than four times greater than the fixed grant previously paid to the Baptist College.

Building and Equipment grants will also be given to Judson College under much the same conditions as the building and equipment grants provided for in the Grants-in-aid Code.

Vernacular Education.

Need for Reforms.—The examination of conditions relating to the financing and control of Vernacular education which was undertaken in 1918 convinced Government that the whole system called for drastic reform. Teacher managers

depended on the grants determined by examination results, and such grants have long been condemned by expert educational opinion, while, in regard to the so-called half-salary grants paid to teachers who are not managers, fact was found to have little correspondence with theory. The theory, which was announced in the Burma Education Code, was that a salary grant up to a certain maximum might be paid to each certificated teacher equal in amount to the sum paid to him as salary by the manager. The fact was that the half-salary grant constituted in effect the teacher's whole salary. The manager neither did nor could pay the other half, and no inconvenient questions were asked. As for uncertificated assistant teachers, of whom there were and are a very large number, these practically lived on charity, the charity of the managers or the villagers.

As tuition fees, except in a few large urban areas, are negligible—Vernacular education in Burma, being for the most part free—the cost of maintaining Vernacular schools falls in fact almost entirely on public funds. In these circumstances the nature of the reform required was obvious, *viz.*, the conversion as early as possible of all lay Vernacular schools under private management to Board schools controlled and financed entirely by local authorities. As this reform could not be fully realised until after the constitution of District Councils and District School Boards, Government sanctioned a transitional scheme which had been proposed for one Division of the Province, and authorised the Director to sanction schemes on similar lines for other Divisions. These schemes, which have been introduced, in whole or in part, in seven out of the nine Inspectors' Circles, all agree in the following respects:—Results grants have been entirely abolished for all schools and full salaries are paid, in the first place to the teacher manager, partly in recognition of his services as teacher-manager, and partly by way of rent for the school building he owns or occupies; in the second place, to all teachers, including uncertificated teachers employed when duly qualified teachers are not available. Lay teachers employed in a Monastic school are also eligible for full salaries from local funds, and a yearly contribution is paid to the Monastery. Grants may further be given for buildings and equipment.

The Rural Self-Government Act.—The Rural Self-Government Act was passed on August 26th, 1921, but has not yet come into force. Under this Act the maintenance

and control of Vernacular education, except in matters reserved to the Education Department, *viz.*, inspection, examining and the determination of the curricula, will be transferred to District School Boards, some of the members of which will be members of the District Council appointed by the Council, and other persons co-opted by the appointed members. The control exercised by the School Boards will be subject to the provisions of rules made by the Local Government under the Act. These rules provide that schools controlled by the School Boards should be either Board Schools or Schools under private management aided by the Board (Board-aided Schools). Provision is made in the Act for the conversion of Board-aided Schools to Board Schools. The conditions for Grants-in-aid laid down in the rules are much the same as the conditions adopted in the transitory schemes just described. Full salaries will be paid to managers and teachers in lay schools, and a minimum scale of salaries will be laid down by the District School Board. Other grants will also be payable, and the grants taken together will practically meet the whole cost of maintaining the schools. Thus the only difference between a Board School and a Board-aided school will be that, in the latter, the school house—generally a Burmese dwelling of the usual type in which the manager and his family reside—will be owned or rented by the manager and not by the Board. The conversion of the whole class of Board-aided schools to Board schools will thus be an easy process, and when the process is completed the financing of the great majority of lay Vernacular schools will not be a question of Grants-in-aid at all. Board-aided schools will then be confined to Monastic schools or schools maintained by Christian Missionaries or by other managing agencies which maintain schools for a particular purpose or in the interest of a particular section of the community.

The District School Fund.—Grants-in-aid payable to Vernacular schools under private management will be chargeable under the Rural Self-Government Act to the District School Fund, which will vest in the District Council, and from which all expenditure whatsoever incurred by the local authorities on account of Vernacular education will be met.

Vernacular Education in Rangoon.—Vernacular education in the city of Rangoon is at present controlled by a School Board which is financed by the Municipal Committee. The School Board has adopted the transitional scheme already described. In the near future the powers of the School Boards

are likely to be transferred to a Committee of the Corporation, called the Education Committee, and composed partly of members of the Corporation appointed by it, and partly of persons co-opted by the other members. The conditions of Grants-in-aid will probably be very similar to those laid down in the rules made by Government under the Rural Self-Government Act; in other words they will be much the same as those now in force.

CHAPTER VIII.

Grant-in-aid System, Bihar and Orissa.

The grant-in-aid system of Bihar and Orissa is a two-fold one. Some aided institutions receive grants directly from provincial revenues, while others receive them from local bodies. In the latter case much of the money comes ultimately from provincial revenues in the form of a lump grant to the local body concerned, and in both cases the money paid from provincial revenues is derived in part from the educational grants given from time to time by the Imperial Government. The above observations apply both to recurring and to non-recurring grants.

I. Recurring grants paid directly from provincial revenues.

When the province of Bihar and Orissa was constituted on the 1st of April, 1912, the grant-in-aid system in force in the old province of Bengal continued to be followed for a short time. Under this system grants were limited in amount to a proportion of the income guaranteed from private sources. For colleges the rule was that grants-in-aid should not exceed the sum to be expended from private sources excluding the fees paid by the scholars, but as in college cases a reference to Government had always to be made before a grant was given, and Government retained the power of relaxing the rules, the proportionate limit was not of much consequence. That the rules for schools were not framed to meet the circumstances of the new province may be inferred from the fact that *all* the divisions constituting Bihar and Orissa were specified as exceptions to the general rule that the grant to a high school might not exceed one-half, nor the grant to a middle school two-thirds, of the income guaranteed from private sources. Since these divisions were treated as exceptions, the grant to a high school might be equal to two-thirds of the income guaranteed from private sources, while for middle and primary schools the grant might be equal to the income so guaranteed.

2. The question whether the old rules were sufficiently liberal and otherwise suitable came up for consideration in connection with the Imperial grants given for primary and secondary education in the year 1912-13 and a revision was then undertaken on the basis of the rules which had recently been framed for Eastern Bengal and Assam.

3. No attempt was now made to define the proportion of the cost of aided colleges which might be met from public revenues. The grant to St. Columba's College had for some time been Rs. 1,000 a month and those to the other colleges were gradually raised to the same figure, the chief condition laid down being that the staff should be paid at rates not less than certain specified scales, namely Rs. 400—30—700 for the Principal, Rs. 150—10—250 for the professors and Rs. 100—10—150 for the lecturers. These salaries were a considerable improvement on those previously given and have tended to make the staffs more permanent, but the annual rise in the cost of maintaining the colleges, due partly to the increments prescribed and partly to increases in the staff in order to provide for efficient teaching, is already causing anxiety to the Governing Bodies.

4. For secondary schools also it was decided to drop the principle of limiting the grant to a proportion of the total cost and to substitute one under which, if the necessity for a school were established and Government had sufficient funds, it would be assisted to maintain a prescribed scale of establishment. The different scales laid down are as follows:—

High Schools.

	Rs. a month.
Headmaster	100
Assistant Headmaster	75
Third Master	60
Fourth Master	40
Fifth Master	40
Sixth Master	40
Seventh Master	35
Additional Master	40
Persian Teacher	30
First Vernacular Master	25
Second Vernacular Master	20
Contingencies, including library, prizes, etc.	80
TOTAL	535

NOTE 1.—One of the posts of masters mentioned above is intended for the Head Pandit.

NOTE 2.—In schools where the number of pupils is less than 150 the additional master on Rs. 40 is omitted, and the allowance for contingencies is reduced to Rs. 20.

NOTE 3.—For every additional vernacular taught as a medium of instruction two more teachers on Rs. 25 and Rs. 20, respectively, are required. Where an extra vernacular is taught as literature only, one more teacher suffices.

NOTE 4.—Where a class is duplicated owing to numbers, the additional teachers employed must be paid not less than Rs. 35 if teachers of English, or Rs. 20 if vernacular teachers.

Middle English Schools.

	Rs. a month.
Headmaster	50
Assistant Master	35
First Vernacular Teacher	25
Second Vernacular Teacher	20
Third Vernacular Teacher	15
Contingencies	15
TOTAL	100

NOTE 1.—For every additional vernacular taught as a medium of instruction two more teachers on Rs. 25 and Rs. 15, respectively, are required. Where an extra vernacular is taught as literature only, one more teacher suffices.

NOTE 2.—When a class is duplicated owing to numbers, the additional teachers employed must be paid not less than Rs. 25 if teachers of English, or Rs. 15 if vernacular teachers.

Middle Vernacular Schools.

	Rs. a month.
Headmaster	25
Second Master	15
Third Master	15
Fourth Master	10
Contingencies	5
TOTAL	70

The number of High Schools at present aided is 59 and the monthly grant given is Rs. 9,337 making the average grant Rs. 158.2 while for Middle English Schools the figures are 203 and Rs. 15,760 making the average grant Rs. 77.6. It may be noted that the scales proposed had been under consideration in Bengal and Eastern Bengal and Assam for some years. They represent a considerable improvement on the salaries previously paid, but with the general increase in prices and salaries it is doubtful how long they will continue to be adequate.

5. In 1912 some Middle English Schools were aided directly from provincial revenues and others by local bodies. This system or lack of system was found to be unsatisfactory and a tendency was noticed for local bodies to divert to Middle English Schools sums which were more urgently required for primary education. Accordingly in the year 1918 the financing of all the Middle English Schools was taken over by the department, while the control of the few Middle

Vernacular Schools formerly aided by Government was gradually handed over to local bodies. Middle Vernacular Schools are now treated in the same way as primary schools.

6. The new rules for grants to secondary schools have been distinctly beneficial to small schools which could not previously afford to pay their staffs at the same rate as large schools owing to the smaller income collected from fees. The larger schools need less help from Government and have benefited less, but no grant of less than Rs. 75 a month is given to a High School, or of less than Rs. 30 a month to a Middle English School and these sums have in some cases enabled the teachers to draw pay at rates slightly in excess of the standard referred to above.

7. In 1912 a certain number of primary schools, especially in Municipalities, received small grants directly from provincial revenues, but it was decided that this system should be discontinued and in the year 1913 grants were first made to all the Municipalities in the province to assist them in maintaining or aiding primary schools. The remaining schools of this status which had previously received grants directly from Government were at the same time handed over to the local bodies concerned together with the necessary funds.

8. In addition to grants to high and middle schools, grants are also given to a number of special institutions such as training classes and technical schools. No special rules are laid down for the assessment of these grants, the sum to be given being determined after consideration of all the circumstances of the case.

9. The power of sanctioning recurring grants to colleges rests with the Director, but the approval of Government has to be obtained to the necessary budget provision. Formal sanction to recurring grants to schools is given by the Inspector or Inspectress, an allotment for the purpose being placed annually by the Director at the disposal of each such officer. The procedure followed is for the Director when framing his budget for any year to consider the grants given during the previous year and the additional sum, if any, likely to be required and to make provision accordingly. This provision may or may not be modified by Government before the budget is passed. When the amount finally sanctioned is known a conference of the Inspectors and Inspectresses is held, the needs of the schools already aided are discussed, and the claims of different schools to the surplus available, if any,

are considered. After these have been decided the Director places a lump sum at the disposal of each Inspector and Inspectress and these officers make allotments to individual schools.

II. *Grants to local bodies for educational purposes.*

As already mentioned, until the year 1913 no grants were made to Municipalities. Grants were given to the District Boards in the seventeen districts in which the Bengal Local Self-Government Act had been introduced and to the District Council of Sambalpur, while in the three remaining districts lump grants were placed at the disposal of the Deputy Commissioners. The grants to the District Boards originated at the time when the Boards were constituted. Certain charges and certain sources of revenues were transferred and Government gave a grant equal to the difference, the sources of revenue transferred being in no case sufficient to meet the expenditure. From time to time further educational grants were given to meet specified objects of expenditure and the portions of the Imperial grants of 1902 and 1905 set aside for primary education in Board areas were also handed over to the Boards. In the remaining districts the grants appear to have been assessed on no fixed principle, the local officers stating their needs and such money being given as was available.

2. The system outlined above was reviewed when the Darbar grant for primary education came to be distributed. The grants given in 1911-12 to the different districts were then accepted as a basis and additions were made to them in the year 1912, and have been made on many occasions since, for certain specified purposes. In 1912 grants were given to enable the Boards to carry out a general revision of the stipends of teachers in primary schools, it being laid down that in future no trained *guru* should receive a stipend of less than Rs. 7, no teacher with middle qualifications a stipend of less than Rs. 6, no teacher with Upper Primary qualifications a stipend of less than Rs. 3 nor any teacher less than Rs. 2, while in girls' schools the minimum for a trained teacher was to be Rs. 12 and for other teachers Rs. 9. In the following year the minimum for a trained teacher in a boys' school was raised to Rs. 9 and grants have from time to time been given to enable more schools to be financed, for the maintenance of Board schools or schools in connection with

factories, and for the support of schools formerly financed directly by Government.

3. During the first year of the province certain sums were handed over to the local bodies to enable them to give larger grants to Middle English Schools, but, as already mentioned, it was decided in the year 1918 that Government should assume the entire responsibility for these schools. This resulted in a considerable additional expenditure to Government, for the grants to the Boards were not reduced, but Government undertook the whole of the expenditure involved, leaving the Boards free to devote to other educational purposes the sums which they had formerly spent on Middle English Schools.

4. The effect of the system described above has not been entirely satisfactory, for in 1912 the number of schools helped by the Boards in some districts was much greater than in others, and, to enable the minimum rates of stipend to be paid in all districts alike, the districts with most schools, particularly the coast districts of Orissa, required and received much larger grants than many more backward areas. To remedy this the Boards have been required to frame programmes for the expansion of education in their districts and these have been examined so that the relative needs of each area may be compared and it may be ascertained how far the Boards are doing their own duty and how far they need further assistance from Government. The reorganisation of the provincial finances due to the Reforms Scheme has prevented much progress from being made with the carrying out of these programmes except in cases where the Boards have been able to provide funds from their own resources.

5. Mention has been made above of the introduction of a system of giving grants to Municipalities for the schools under their control. These bodies, too, have been asked to prepare schemes for the improvement of education within their boundaries and both capital and non-recurring grants have been sanctioned to enable some of these to be carried into effect. The capital grant admissible is limited to twenty per cent. of the ordinary income of the Municipality and the recurring grant to three per cent., and such grants are only given if the Municipality will find from its own resources a recurring sum of at least three per cent. of its ordinary income and a non-recurring sum equal to half the capital grant for which it applies.

6. The allotments given to local bodies from provincial revenues are spent in different ways. In some cases the schools are directly maintained by the District Board or Municipality, the teachers being District Board or Municipal servants, and in other cases a grant is given to a committee managing a school, but in the majority of primary schools assistance is given in the form of stipends to the teachers. The latter arrangement is not, however, satisfactory, for the teachers of primary schools tend to work indifferently in the absence of local control and stipendiary schools often come to a sudden end owing to the illness or death of the teacher, or merely because he decides to give up work or moves to another village. Endeavours are therefore being made by the Boards to extend the system of aided primary schools as far as possible, but the matter is not without difficulty, for it is not always possible to find in rural areas persons willing to serve on school committees.

III. *Non-recurring grants.*

Non-recurring grants are given both from provincial revenues and from local funds, and the rules generally are the same except that in the latter case a maximum of Rs. 10,000 is laid down as the greatest sum ordinarily admissible for any one project. The rules for colleges and for schools are practically identical. Before a grant is given from provincial revenues the project must be approved by the Commissioner of the Division and (in the case of a school) by the District Officer. A trust deed must be executed. Where the amount is small a simple undertaking by the Committee to comply with the grant-in-aid rules is usually accepted, but in other cases a mortgage is required and where the committee is unable to execute a mortgage the usual procedure is for Government to acquire the site on which the building is to be erected and to lease it to the committee for a nominal rent on certain specified terms. These terms are that the building shall be used only for educational purposes, that it shall be maintained in good repair and shall yield no pecuniary return to the School Authority save for the purposes of the school, and that the school shall be open to inspection by Government Officers and shall continue to be well managed. In the event of a breach of any of these conditions Government reserve the right either to have the defect remedied or in the last resort to resume the land (where it belongs to them) and to recoup themselves for the grant of money paid.

2. Grants are given for the acquisition of land for playgrounds as well as for buildings. In the former case the land is acquired by Government and leased to the committee on a nominal rent. In the latter the plans must receive the previous approval both of the Education Department and of the Public Works Department, the function of the latter, in the case of a school applying for a grant from a District Board, being discharged by the District Engineer. The Public Works Department or District Engineer, as the case may be, supervises the work of construction. Half of the grant is paid as soon as sanction is given, a quarter when the work is half done and the balance on completion, a certificate being required in either case from the supervising engineer that the work is being carried on satisfactorily or has been completed.

3. Grants are also given for furniture, apparatus, chemicals, maps, books for libraries and equipment generally. In the case of a college the grant may not ordinarily exceed half of the cost and in the case of a school two-thirds.

4. Non-recurring grants from provincial revenues are ordinarily sanctioned by the Director. Amounts not exceeding Rs. 500 may, however, be sanctioned by the Inspector or Inspectress, while the sanction of Government is required if the amount applied for exceeds Rs. 10,000 or two-thirds of the total cost of the project, if the ordinary grant-in-aid conditions are not to be applied or if the budget provision is inadequate.

CHAPTER IX.

Grant-in-aid System, Central Provinces and Berar.

Central Provinces from 1893 to 1904.—The Educational Manual of the Central Provinces, dated 1893, applied only to the Central Provinces, as Berar had not then been amalgamated with that Province.

Recurring grants.

Fixed grants.—Recurring grants were given on one of three systems. The first was called the Fixed Grant System and was intended mainly for schools above the Primary grade. The amount of the grant was limited to the difference between income and expenditure. It was intended that grants from Provincial funds should be devoted to the education of girls and of the backward classes, and for the maintenance of Science, Art, Industrial and High Schools. Other institutions would ordinarily draw grant from local funds. The minimum average daily attendance was fixed at 20 for boys' and 10 for girls' schools, and the other educational conditions were much the same as at present.

Result grants.—The second system, by which grants were assessed on attendance and on instruction, was called the Result Grant System. These grants were given only to Vernacular schools up to the fifth standard. They might be paid from Provincial or Local Funds.

Based on Attendance.—For each pupil in average attendance below 18 years of age a grant of 8 annas a head was given, but a pupil teacher had to be maintained for every 20 boys over the first fifty of average attendance. This would provide from the attendance grant a maximum of Rs. 25 per annum for a teacher.

Based on Instruction.—A grant for instruction based on passes in the annual examination made it possible to maintain the school. If the school had been open for 180 boys in the year, a pupil who had put in 90 attendances might earn for the school for each subject in which he passed sums varying from eight annas in Standard I to Rs. 2-8-0 in Standard V, and rising to Rs. 3 for passing in Surveying (an optional subject) in the 5th class. For girls the grant was generally double, and for certain depressed classes 50 per cent. above

the standard rate. Only the three R's were compulsory. A list of 12 optional subjects, including Hygiene and Agriculture, shows the optimism of the authors of the scheme.

Night Schools.—Night schools were also aided under this system. Only 80 attendances of $1\frac{1}{2}$ hours were required, but to ensure some instruction an age limit was fixed, and in the first standard no grant was allowed for a student who did not pass in the three R's.

As the total amount required to pay the result grants varied each year a maximum was fixed for each District or Municipality, and a proportionate reduction made if the total demand exceeded the sum available. It is curious that the grants were paid to the School Managers through the District Superintendent of Police.

The Combined System.—The third system was the Combined Grant System and included a fixed monthly salary for the teacher and a bonus on the results of the examination. This like the Result Grant was applied to Vernacular Schools only.

Fixed grant.—The maximum fixed grant was Rs. 6 per mensem for a certificated master and Rs. 4 for an uncertificated teacher. In addition a grant assessed on the results of the Annual Examination was paid at half the rate fixed for the Result Grants.

Bonus on Instruction.—Of this bonus on passes 40 per cent. was allotted to the Head Master and 10 per cent. to the subordinate staff. The grants were paid to the Managers of the School through the District Superintendent of Police.

Changes in 1900.—In 1900 a variation on the Result Grant and Combined Grant Systems was introduced. The main features were a differentiation of curriculum between town and village schools, with rates slightly higher for the village than for the town, and that no pupil could earn any grant unless he passed in 2 out of the 3 compulsory subjects, nor any grant for an optional subject unless he passed in all compulsory subjects. The valuation of the subjects is interesting. A pass in Standard 5 in Reading secured 12 annas, in Arithmetic Rs. 2-8-0, in a town school. In a village school the fourth class was the highest, and in that class a pass in Arithmetic was valued at Re. 1-12-0, in the corresponding class of a town school at Re. 1-8-0. Unfortunately no figures are now available to show the average income of teachers.

Comparison of teachers' incomes with those of 1920.—The fixed grant of Rs. 6 per mensem allowed to certificated teachers under the combined system in 1893 would be equal to not less than Rs. 15 to Rs. 18 to-day, and in addition strenuous tuition carefully adapted to take advantage of the Code must have placed him in a position of comfort. The uncertificated teachers on Rs. 4 with a statutory share of the result grant (raised in 1900 to 15 per cent.) were probably no worse off than the similar class to-day.

Non-recurring grants.

Towards the cost of buildings, grants were given equal to one-third of the expenditure, and for furniture and apparatus equal to one-half of the cost.

Berar from 1893 up to 1904.—An educational manual of Berar also dated 1893, before that tract was amalgamated with the Central Provinces, still survives. The conditions of grant to local bodies under that Code are curious. Money raised from Municipal and town funds and spent on education might be counted as a qualification for grant, but educational cess compulsorily recovered is not eligible for Government grant. The maximum amount of grant was fixed at a sum equal to the amount expended from private sources on secular instruction, except in the case of Indigenous Schools. "The Government will not in any matter interfere with the actual management of a school thus aided: but will seek, upon the frequent reports of its Inspectors, to judge whether a good secular education is imparted or not." "No preference will be given to any school on the ground that any particular religious doctrines are taught or are not taught therein." Some fee, however small, was required from the scholars.

Indigenous Schools.—For indigenous schools there was a capitation grant of eight annas a head for every boy or girl, based on average daily attendance throughout the year. In addition any boy passing the annual examination might earn for the school from Rs. 3 in Standard I to Rs. 8 in Standard VI, and girls who passed earned twice this amount, as well as an extra grant of Rs. 2 for creditable needlework. In those days a well managed school must have been a profitable venture. The rewards for passes were much greater than in the Central Provinces.

Even a newly opened school might get a grant of Rs. 15 to Rs. 60 at the rate of Re. 1 per head of average attendance,

or Re. 1-8-0 for backward classes, and for girls Rs. 2. Later on the School would be transferred to the Result Grant System noted above. The attendance roll was certified by the Patel and Pandit.

When Berar was joined to the Central Provinces, the grant system of the latter was applied, and in 1907 the Commissioner, Berar, wrote in forwarding the annual report "A system of grant-in-aid which practically wipes out 400 schools in 5 years is, I respectfully submit, in itself evidence of its being a wrong system."

Payment by Results.—In the calm atmosphere of educational study there is little to be said for the system of payment by results. The cramming of the students and the personal idiosyncracies of the examiner have combined to condemn it, but it is eminently suited to the early stages of Primary Education, when the public is unable to judge of the work of a teacher. The direct financial incentive to the teacher has now been removed, and rarely has educational enthusiasm been able to apply an equal stimulus. If in addition to a standard wage it were possible for each teacher to secure a moderate bonus by successful work as well as the chance of distant promotion, Vernacular schools would show far better results. Inspection remarks would not be repeated for years and neglected for ever. There is too little reward for the eager, and too much security for the lazy.

Vernacular education under public management has finally supplanted aided Vernacular schools as the main system of the Province. Nor would compulsory education be possible otherwise. But there is room for a bonus by results in addition to a standard pay as a corrective to the lethargy of the educational machine.

Central Provinces and Berar from 1904.—With the Manual of 1904 a universal system of fixed grants supplanted payment by results. Grants were offered to all educational institutions under private management which gave a sound secular education.

1904. Payment by results abolished.—The ultimate object was stated to be to enable the Local Administration and Local Bodies to withdraw gradually from the direct management of schools, maintaining only a few model institutions.

The usual educational conditions were laid down, with the exception of the observance of the Risley Circular. The

amount of the grant was not to exceed the difference between income and expenditure, but no proportion was fixed between grant and expenditure, nor was it based on attendance except that a minimum attendance of twenty boys, or in Circle schools of ten girls, was required. Only in the case of non-recurring grants was a limit fixed, one-third of the expenditure.

Grants were intended to encourage schools for girls, backward races, departments above the lower secondary (middle schools) and science, art and industrial schools. Vernacular schools were to be maintained or aided by local bodies. In practice, however, all kinds of schools were aided if they were likely to meet a local need. As regards finance, the departmental officers and managers played a game of pull devil pull baker, with the Director as Umpire to decide on the amount of the grant-managers requiring all new expenditure to be met from grant, and departmental officers urging managers to increase their resources. The absence of any statutory limit to grants probably suited the times when education was still in its infancy in this Province.

1911. Grant in proportion to expenditure.—About 1911 more detailed terms for grants were fixed, imported mainly from Bombay. All types of schools under private management and secondary schools managed by local bodies were brought under one rule. Educational conditions remained nearly the same, but the maximum grant was fixed at half the income, or one-third of expenditure, whichever is less. In the case of Primary Schools carried on under exceptional circumstances an additional grant equal to about one-ninth of the expenditure could be given. Industrial, Normal and Art schools were expressly excluded, and no limit was fixed for them, but as such schools were almost always managed departmentally this provision had little effect.

Vernacular Girls' Schools.—The history of grants to girls' schools is more intricate. From early days the large majority of girls' schools in this Province has been under Departmental management. Grants were offered to assist managers to test over a period of two or three years whether the number of girls likely to attend would justify founding a permanent school. In 1910 grant was fixed on attendance.

	Rs.
For 10 to 15 girls	18
For 12 to 20 girls	24

plus six rupees for every five girls in addition. As the first classes of these schools were found to be convenient creches, no grant was given for attendance in that class. In 1911 in place of a grant based on attendance, half the expenditure was offered on condition that a certain number of girls were enrolled in the higher classes. But as these girls would be nearer marriageable age, the school was required to meet in a separate building, and the permission to meet in the boys' school after school hours was withdrawn.

The most interesting feature of this grant code for girls was the purchase of pupils in the open market. Head Masters of boys' schools were given rewards for securing the attendance of girls in boys' schools: later on the rewards depended partly on the number of girls who passed the class examinations. In parts of the Province this system was astonishingly successful, particularly in the East. The natural educational ambition of the school master, stimulated to action by the hope of reward, produced scores of pedagogic missionaries, who secured the attendance of many thousands of girls of tender age, and continued the attendance of a few of marriageable age. Moreover a considerable enrolment of girls would mitigate the pressure of the revenue official whose influence maintained attendance, and so leave more boys for the labour of the fields.

1917. Present system of grants.—The present code was brought into force in 1917, and differs very little from that of 1911, except that an estimate is made of the requirements of each school for five years, and the grant is generally fixed on those figures. The maximum is as before, save that schools in special difficulties may receive half their expenditure. Colleges, Normal, Art and Industrial schools are exempt from any limit. Attendance does not enter directly into the calculation of grant, but is considered with other factors. The institution must meet a want, pass a sanitary standard, give physical training, keep regular registers and accounts, have a satisfactory managing committee, be open to inspection, follow an approved curriculum, use only approved books, have a satisfactory staff, charge certain fees if required, and observe the rules governing the relations of schools to politics. The conditions and limit of grant are the same for Secondary and Primary schools for boys and girls but the special arrangements referred to above for girls' Vernacular schools maintained temporarily by local effort with a view to ultimate.

provincialisation are continued. For such schools the conditions of grant are designed to maintain the school for two or three years. Half the total expenditure is given provided that suitable accommodation and staff are provided, that the total average attendance is not less than 20, and that there are girls reading in the second class. Ordinarily the school would be taken over by the Department after probation. If the managers desired to retain it they would be aided under the same rules as boys' schools, under which they might continue to receive a grant equal to half their expenditure.

European Schools.—Until 1912 European schools were inspected by an officer of the Bombay Presidency, and received aid on their system, based primarily on attendance, with many supplementary grants for trained teachers, special subjects, etc., needing an expert to take full advantage of them. When they came under the control of this Province an estimate was made of the probable attendance, number of classes, staff, salaries and other requirements. A recurring grant equal to half the expenditure was given subject to certain limits, and that system has remained in force from 1914 till now. All European schools of all grades, for boys and for girls, are treated alike under a separate code of regulations.

The effect of the grants.

For the past 20 years the supply of vernacular education for boys has been regarded as the duty and privilege of local bodies assisted by grants. Where private schools existed they were aided sometimes by Government grants, sometimes by local bodies, and occasionally by both. As the schools under public management spread and parents became accustomed to the nominal fee of one anna a month, they became unwilling to pay the higher fee required by the manager of a private school. He desired the greater security and higher remuneration obtainable under local bodies, and the private venture school practically disappeared. Religious bodies such as Missionaries, Anjuman and Sabhas maintained Vernacular schools, but the tendency is for the last two bodies to hand them over to local bodies. The fees in primary schools are so small that the managers must ordinarily supply two-thirds of the expenditure, and this has more than doubled in the last ten years.

In secondary schools this tendency is less marked. The actual cost to be provided by the management is larger than

in the case of primary schools, but there is more credit in maintaining a secondary school, and the richer classes wish to keep their sons near home till the age of 14 or 15. Fees and grants may be relied on to meet two-thirds of the expenditure in an established secondary school, and the lower the pay of the staff the less money must be found by the management. Two tendencies are marked—the first to reduce cost by maintaining a cheap staff, the second to raise fees slightly above the minimum.

The High School classes (X to XII) are nearly paid for from grant and fees, but the Educational Department has supplied these classes more liberally than Middle Schools in proportion to the demand. It is more difficult for a private school to find the staff for these higher classes that departmental and University standards require. Since the 1911 code a large number of lower secondary schools have been opened, the most important section being those managed by local bodies. In the richer districts of the Province a considerable number have been opened by managing committees, but they would for the most part gladly hand over their schools to local bodies if the latter had the funds to maintain them. The code encouraged the opening of these schools, and the schools encouraged cheap labour. Some of the labourers in these vineyards still receive only a rupee a day. Nor can this be remedied unless the grant provide almost the whole of the difference between fees and expenditure, at a cost equal to placing the schools under public management. There is not yet in this Province a body of educationalists who can manage private institutions on new lines and provide a testing ground for new ideas. A grant equal to half the expenditure would slightly ameliorate the conditions in aided secondary schools if the managers were obliged to provide at least one-tenth of the expenditure.

The system has failed to assist primary schools to survive except those managed by religious institutions. It has encouraged the attendance of girls in boys' schools, the opening of experimental girls' schools, and the maintenance of secondary schools by religious societies, other private persons, and by local bodies. But it is not liberal enough to make the conditions of service in secondary schools satisfactory.

Non-recurring grants.

In the Code of 1904 one-third of the cost of buildings and one-half of the cost of equipment was promised, the grant

being paid at such time, after completion, as funds were available. The plan of a building and estimate of cost had to be approved by the Education authorities with the aid of the Public Works Department and lists of equipment were recommended by the Inspector.

In the Code of 1911 the proportions remained the same but no grant of less than Rs. 100 for buildings was given, and none at all towards repairs. For equipment no grant of less than Rs. 50 was given. The terms of the 1917 Code are the same, but the power of sanctioning and paying grants has been deputed to the Director up to Rs. 5,000 for buildings, and Rs. 1,000 for equipment.

The conditions of the grants have remained practically unchanged since 1904. In the case of buildings the ownership of the site has to be proved, and trust deed executed, of which a copy is attached. Arrangements have been made by which local bodies can draw in advance grants sanctioned in respect of secondary school buildings, subject to adjustment on completion of the work. Grants for Vernacular school buildings are not paid to such bodies under the Grant-in-Aid rules but lump grants are sanctioned subject to conditions that vary from time to time.

Grants towards equipment until 1911 were recoverable in part if the school ceased within five years. No such clause is now required. Cases of recovery of a building grant are so far unknown, and of equipment grant extremely rare. Ordinarily the equipment would be handed over by the managers to another school with the permission of the Department.

Even with a reduced scale of requirements for school buildings and equipment, the capital cost is a heavy burden for local bodies, and still heavier for private schools. This also will tend to cause managers of private institutions to hand over their schools to local bodies whose resources are larger and who receive for secondary schools grants on the same scale as managers of private schools. It seems possible that the requirements in the way of buildings, furniture and equipment may have to be reduced in the future.

Grants to local bodies for educational purposes.

As has been mentioned in the preceding section, these bodies receive grants in respect of secondary schools under the same code as schools under private management. Grants for vernacular education have still to be considered.

Grants to Municipalities for vernacular education.

Prior to 1917 there was no recognised system of distribution, except in Berar, where Municipalities received one-third of their expenditure on education under all heads. At various times district officers in the Central Provinces considered what each Municipality could spend on schools. This was generally, but not always, supposed to be at least five per cent. of its income. The balance they hoped to secure in grants. When fresh expenditure had to be incurred, the finances were examined and an additional grant asked for. Naturally a Municipality which was providing for a water supply could afford less for schools, and would probably secure more in grant for education by following the tactics of the importunate widow.

The system adopted in 1917 for the Central Provinces and subsequently for Berar was as follows. That part of Municipal income, such as water rate, sanitation rate, etc., which is supposed to meet only the cost of the service, was excluded. One anna in each rupee of the rest of the income was then regarded as set apart for vernacular education. If the cost of vernacular education exceeded that sum, then the excess was met half by the Municipality, and half by grant from Government. Whether the system will meet the requirements of Municipalities under the Compulsory Education Act is now being considered. Possibly more liberal terms may be given to those bodies which adopt the provisions of the Act.

(In calculating the recurring cost of Vernacular schools under the above system only salaries and pension contribution are taken into account.)

Grants to District Councils (District Boards) for vernacular education.

Prior to 1915 there was no recognised system for the award of grants to District Councils (or District Boards as they are called in Berar). The following system was tentatively approved by Government in 1915.

In the distribution of recurring grants the improvement of existing schools was not to be subordinated to the extension of Vernacular Education. All Local Bodies would estimate the expenditure required for bringing their existing schools up to the required standard in regard both to pay and number of teachers. From the funds available at any time

for grants to District Councils for Vernacular Education a portion not exceeding 50 per cent. was to be reserved for distribution through Commissioners to District Councils in proportion to the total estimate for the Division of the expense of bringing schools up to the required standard as estimated by District Councils. It was assumed that the proportion reserved for grants towards improvement of schools would gradually decrease and a larger share would gradually be set free for extension. It was also assumed that schools opened from 1916 onwards would be adequately staffed by properly paid teachers and consequently that no special allotment need be reserved for further improvement of such schools.

The balance available at any time from Provincial grants for the extension of Vernacular Education after deduction of a sum reserved for improvement of existing schools was to be distributed to Commissioners in proportion to the total number of boys of school-going age in each Division for whom no school provision had so far been made.

The distribution of grants both for improvement and extension in accordance with the principles recorded above was to be by Divisions. In distributing the amount allotted for the Division among the District Councils included in the Division the Commissioner was supposed to take into consideration not only the relative needs of each Council as indicated by the estimate of expenditure required for improvement and by the total number of unprovided boys but also the special needs and circumstances, financial and otherwise, of each District Council.

In the distribution of grants for capital expenditure the needs of existing schools were to receive prior consideration. Grants were to be allotted to divisions in proportion to the total requirements of each division as estimated with reference to the total number of pupils for whom suitable accommodation was provided in existing schools.

In two important respects the situation has changed since the principles referred to above were established in 1915:—

- (a) The question of teachers' pay has become far more prominent owing to the abnormal rise of prices and other causes. The gradual increase contemplated when not more than half of the funds available at any time was set apart in 1915 for improvement of salaries and the schools generally, has now been

found totally inadequate. Moreover, the salaries of posts created since 1916 in connection with new schools have not, as anticipated, been found adequate and further expenditure on these schools as well as on schools opened before 1916 is necessary.

- (b) Since 1916 District Boards in Berar have taken advantage of facilities afforded for increasing their educational cess and for levying a special school rate in certain areas and on certain conditions, while the Central Provinces Local Self-Government Act of 1920 when put into force will give similar facilities to District Councils in the Central Provinces. It was assumed in 1916 that for some years to come District Councils generally would not be able to add substantially to their own funds for Vernacular Education. Consequently the question of encouraging Local Bodies to increase their own funds by making grants proportionate to the proceeds of local taxation was not seriously discussed. The possibility of such a course as a corollary for future legislation was, however, noted.

Another factor that has now become important was left out of account in 1915. It was assumed that there was in all the districts of the Province a demand for more Vernacular schools and that this demand did not vary sufficiently from district to district to justify differential treatment in regard to distribution of grants. Since 1915 it has been suggested that in many parts of the Province there is no further room for extension on a voluntary basis. District Councils have been authorised by legislation to introduce compulsory education, and the question of the extent to which a local demand for extension either on a voluntary or compulsory basis should influence the distribution of grants becomes prominent.

The principles of distribution are consequently under revision and the following factors are being taken into account:—

- (a) The existing and potential financial resources of District Councils.
- (b) The present state of Vernacular Education under each Council both as regards quantity and quality.
- (c) The local demand for Vernacular Education whether on a voluntary or compulsory basis.

It has been suggested that though Government has delegated to Local Bodies responsibility for the maintenance of Vernacular schools, it is ultimately responsible for determining within the limits of the Province the minimum expenditure on Vernacular Education and for seeing that in regard both to quantity and quality it does not fall below a certain level. It is also responsible for deciding what portion of this minimum expenditure can be met from local funds and what portion will consequently fall to provincial funds. Having once provided for this minimum expenditure, Government ought to encourage Local Bodies to undertake further expenditure from their own funds for the development of Vernacular Education beyond the established minimum, and such further expenditure can be encouraged by contributions from Government proportionate to the additional expenditure undertaken by Local Bodies. According to this principle contributions from Government to enable Vernacular Education within a given area to reach the required minimum should be with reference to the needs and resources of the locality as determined by Government. Contributions from Government for any advance beyond this minimum should be proportionate to the contributions from Local Bodies. Up to a certain level Government will give to those who need and beyond that level it will give to those who are prepared to spend. The minimum standard and expenditure required can obviously be determined by Government only for a definite period. The whole situation must be reviewed periodically, and in the ordinary circumstances the minimum standard would be raised as a result of each successive review. It will be necessary to deal individually with each District Council and to give up divisional distribution with discretionary powers to Commissioners in the allotment of Divisional amount to District Councils.

These principles are now under the consideration of Government.

CHAPTER X.

Grant-in-aid System, Assam.

Section A.—Recurring grants.

Historical summary.—It is convenient to consider the period from the year 1912 onwards. In 1912 the province was constituted in its present form, and the present system of grant-in-aid, in so far as it represents change in policy or procedure, has been evolved since 1912 on the basis of the old Assam system and the modifications introduced during the years when Assam was part of the province of Eastern Bengal and Assam. In 1912, grants-in-aid were governed by a code of general rules formulated by the Government of Eastern Bengal and Assam, and, in so far as the treatment of Assam districts differed from that of Eastern Bengal districts, by the rules of the Assam School Manual. Changes in both these groups of rules have to be recorded.

2. *Changes in procedure.*—Section IV of the Eastern Bengal and Assam Code of rules deals with recurring grants. The changes which have been made since 1912 under this section are to be explained, not so much by reason of difficulties met with in administering the rules, as arising from the desire to have a more instructive set of rules and a clear system of determining the grants payable and the standards to be imposed. A comparison with the present Assam Grant-in-Aid Code will shew that the main changes consist in the addition of directions as to the staff to be maintained in aided schools, of a uniform method of estimating the proportion of the cost to be borne by public and private funds respectively and the setting aside of a proportion of the receipts to form a school fund, a section referring to special grants and general revision with a view to clear definition and omission of non-essential details.

3. The other group of rules referred to as existing in 1912, viz., those contained in the Assam School Manual, provided for grants-in-aid to primary and middle schools, in the form of capitation allowances. This system has since been abandoned, after careful consideration, both on theoretical and on practical grounds, and the existing system is one of fixed grants subject to periodical revision.

4. *Present system of grants: Secondary schools.*—Secondary schools comprise high and middle Anglo-Vernacular schools and middle Vernacular schools. With the latter, the grant-in-aid system is not concerned now. It has been accepted—and this marks a change in policy from the system in force in 1912, which provided for grants-in-aid to Vernacular schools by local bodies as well as by Government—that vernacular education in all its stages is the direct charge of local bodies, *i.e.*, Vernacular schools are managed directly by local bodies. The only exceptions to this rule are schools in hill districts or special localities, and these come under a special section of the Grant-in-Aid Code, as will appear later. The rules applicable to grants made to secondary schools are contained in the new code already referred to.

5. The general conditions under which grants are made, are stated in a separate section, and call for no special remarks. It may be noted that aided high and middle Anglo-Vernacular schools are expected ordinarily to confine themselves to the English-teaching classes, in conformity with the principle of free vernacular education in the province.

6. The assessment of grants, as explained in the rules and by the form under which grants are sanctioned, is with reference to a scale indicating the amount which the public is expected to contribute by fees or otherwise per head of the enrolment. This represents a change from previous systems, under which Government, when it undertook to aid a school, was called upon to provide the difference between the cost of up-keep and a fluctuating income which depended partly on fee-receipts and partly on subscriptions which were irregularly paid and sometimes existed only on paper.

7. So far as possible, uniform scales of establishment are prescribed now for aided secondary schools, and the grants are made to depend on these scales and the capitation assessment. Ordinarily the capitation will not vary as between schools of the same standard, but the managers of schools may levy fees at rates in excess or defect of the capitation scale.

8. A typical grant to a high school might be assessed as follows, the preliminaries in connection with the submission of the case being assumed complete and the minimum scale of establishment suitable for the school fixed at a monthly cost of Rs. X:—

The capitation will be fixed ordinarily to correspond with

the prevailing rates of fees actually in force in Government high schools, *i.e.*,—

Classes	X	IX	VIII	VII	VI	V	IV	III
Rs.	3	2-3	2-4	2	1-12	1-8	1-4	1*

This scale will then be applied to the figures of average enrolment given in the form of application for grant (Form G to the Code). If any great discrepancy appears between the figures of average and present enrolment, careful enquiry into the reasons for this will have been made, and it may not be advisable to accept the average figures for application of the capitation scale.

Assuming that the average figures are accepted as showing a state of enrolment *below* which the school is not expected to fall to any serious extent in the near future, the capitation scale will then be applied, as follows:—

Class No.	Rate.	Product.
	Rs. A.	
X	3 0	
IX	2 8	
VIII	2 4	
VII	2 0	
VI	1 12	
V	1 8	
IV	1 4	
III	1 0	
		Total Rs. Y
Deduct 30% for school fund, free studentships, etc.		

Final assessment Rs. Z

The difference between this last figure and the prescribed minimum cost of establishment (*i.e.*, X—Z) will give the maximum grant payable to the school, subject to the condition, stated in the code, that the grant shall not exceed the final assessment.

9. *Primary schools*.—Ordinarily, primary schools are under the direct management of local bodies, and are not aided. There is, however, a large number of primary schools chiefly in hill districts, managed by missions, and aided by Government. Grants to such schools, or to their managers, in respect of groups of schools, are regulated by the provisions for special grants in the code.

10. *Other schools*.—A separate system of grant-in-aid is applicable to tols, maktabas and madrasas. The qualifying

*It is in contemplation to raise this scale to Rs. 2 in classes III to VI and Rs. 3 in classes VII—X.

condition in these cases is satisfactory provision for instruction in the ordinary Vernacular school curriculum in addition to the special courses of study for which such institutions primarily exist. Fixed grants are given under the provisions for special grants in the code.

11. Institutions of these types which are not aided thus directly are eligible for indirect aid in the shape of stipends awarded to their teachers on the results of public examinations of the pupils.

12. *Effect of existing rules.*—Such revision as has been made in the grant-in-aid system, whether in policy or in procedure, is scarcely of long enough standing to enable judgment to be pronounced as to its effect. Thus, the policy of bringing middle English schools under a uniform system of government aid has been carried out, so far, in the case of only a few schools, and the change is quite recent.

13. Again, in regard to the abolition of the system of capitation allowances, it might be possible, in normal times, to form some estimate of the effect of this change on the Vernacular school population; but it is impracticable to do so under the abnormal economic conditions now prevailing which have of course an adverse effect on the school attendance. It can be said, however, in this connection that the change has greatly simplified procedure and removed a temptation to dishonest practice on the part of teachers, and that the teachers have found no cause of complaint on the ground of reduction in emoluments.

14. Lastly, in regard to the simplification and clearer definition of the general code of rules, which, as already explained were objects in view when the code was changed, experience has justified the change, so far, at any rate, as the practical working of the rules is concerned.

Section B.—Grants to local bodies.

Historical.—The earlier principle that local bodies, i.e., Local Boards, Municipalities and Unions should concern themselves mainly with primary schools, though permitted to make grants to Vernacular schools of higher grade and to Anglo-Vernacular middle schools, has been developed during the period since 1912; and the system now prevailing is that local bodies have direct charge of general education in the vernacular, subject to certain control by the Education Department. Local bodies are still permitted to make grants

to Anglo-Vernacular middle schools, but, as was pointed out in the previous section of this chapter, present policy aims at relieving them, ultimately, of the obligations they have undertaken in this direction.

2. *How assessed.*—Grants made to local bodies take the form of annual subsidies or of special non-recurring grants to meet contingencies. An instance of the latter would be the grant of a specified sum, in any year, to a local body to assist it, for example, in repairing school buildings damaged by storm.

3. The annual recurring grants, or subsidies, are not made on any fixed principle of assessment. As money becomes available, from Imperial or provincial sources, allotments are made to local bodies for expenditure. Each new allotment is made in supplement of the existing obligations undertaken, *i.e.*, a local body which has maintained up to any year a certain general standard of expenditure on Education and which receives in that year a new recurring allotment, is not expected to devote any part of the new money to old expenditure, but to use the whole of it for development.

4. The amounts given to various local bodies from time to time will depend, naturally, on their relative claims estimated on such considerations as their readiness to spend from local income, the rate of development of their schools, local demand for expansion, and so on.

5. *Special localities.*—Where local bodies of the kind mentioned above do not exist, *c.g.*, in hill districts, the management and development of Vernacular schools, under the general control of the Education Department, is sometimes in the hands of a missionary society. In such cases, grants are given under the provisions of the Grant-in-Aid Code applicable to special grants, as already mentioned in the previous section.

Section C.—Capital grants for buildings and equipment.

Historical.—Changes in the procedure of dealing with grants under this section have been made since the year 1912, and will be understood on a comparison of the Eastern Bengal and Assam Grant-in-Aid rules, referred to in a previous section, with the present Assam Grant-in-Aid Code. Briefly, the former of these sets of rules, which was issued on the ground that the code which it replaced was cumbrous and ill-defined in so far as capital grants were concerned, brought

upon itself, in practice, criticisms quite as serious, owing to its undue insistence on detail and its rigidity. In practice it proved quite unworkable.

2. The present code represents no change in policy so far as it concerns capital grants: but the rules have been put in a simplified form and room has been made for the exercise of discretion in administering them. Experience, so far, has shown the change to be for the better.

3. *System of grants.*—In the case of building grants a general proportion of at least one-third private contribution to two-thirds government grant is laid down, with discretion to the Director of Public Instruction to relax this rule when the amount of the grant does not exceed Rs. 1,000.

4. In equipment grants, the proportion is equal in the case of high and middle English schools, and one in three in the case of Vernacular boys' schools and girls' schools, with discretion to relax the rule in grants not exceeding Rs. 250..

5. The general conditions on which grants of this class are made are not stated specifically. Obviously, good management and an adequate local need for the institution concerned, are implied conditions; but detailed conditions such as are stated in the case of recurring grants may not always be necessary. Thus an institution of special type such as a Sanskrit *tal* may receive a building or equipment grant, but it is not advisable always even if practicable, to treat such a case on the terms that would be applied to a school for general education.

6. Certain special conditions are common to all grants of this class. They consist in due observance of the procedure of application for grant laid down in the code, fulfilment of the prescribed legal formalities, and submission to the requisite conditions for payment of the grant.

7. The legal documents used in building grant cases follow, as a rule, one or other of the forms appended to the code (Forms A and B). Form A is preferred, and, whenever possible, cases which would naturally come under Form B are reduced to Form A. Thus, if a simple money grant is to be given to an institution, Form B provides for the mortgage of the property of the institution as security for repayment of the grant. If, however, the managers of the institution or other owners of the property consent to make a preliminary gift of the property or part of it, to Government, it

is then possible to apply Form A, under which the property gifted will be handed back for the use of the institution, together with the amount of grant sanctioned.

[NOTE.—There are so few European schools in the province that a separate section on such schools is not thought necessary. The Bengal Code for European schools is usually followed.]

CHAPTER XI.

Grant-in-aid System, North-West Frontier Province.

(a) RECURRING GRANTS.

(i) *Historical.*

(i) *Historical.*—Before 1913 this Province used to follow the Grant-in-aid rules of the Punjab. These rules were very complicated and shortly described they were as follows:—

A school earned a grant of two kinds (i) Block grant, (ii) Staff grant.

(i) Block grant was calculated at so much per head for every pupil in attendance. The rate varied according to whether the pupil was in Infant Class, the Lower Primary, the Upper Primary, the Middle or the High Department. It further varied according as the Department was classed as excellent, good or fair from 100 per cent. to 80 per cent. and 60 per cent. of the maximum per head allowable.

(ii) Staff grants were calculated at one-fifth of the salaries of certificated teachers and of monitors under 19 who had completed the Middle standard. Staff grants were hedged round with a number of restrictions as to the number of pupils per teacher for whom a grant was allowed.

There was a further restriction that a total of the two grants should not exceed (i) in a Primary School one-half the expenditure on tuition, (ii) in a Secondary School one-half the expenditure on tuition *plus* two-thirds of the excess of that expenditure over the income from tuition fees. Expenditure on tuition was minutely defined and contained such anomalous items as "estimated rent of school buildings for which no rent is paid."

These rules were considered unsuitable in many ways. The reasons were some detailed and some general. The more important of the detailed objections which were advanced are specified below:—

- (i) The payment of grant per actual pupil causes the grant to vary in each class. While a fall in the number of pupils in a class from 30 to 25 would not of course affect the number of teachers, it would affect the grant possibly by 155.

(ii) The distinction between Infants, Lower Primary and Upper Primary was meaningless. The same class of teacher was or should be employed for all three Departments.

(iii) There was no minimum fixed for a salary of a certificated teacher and only a vague maximum. So that while the Department may give rupees ten in one school towards a teacher whose salary was Rs. 50, in another school it may give Rs. 20 to a teacher with exactly the same qualifications who was paid Rs. 100.

Other details were open to objection but the general objections appeared to be sufficient to condemn these rules. The practice under these rules led to the result that the richer the school was the more it got in grant. The grants earned by poor schools were so small that they were never able to improve their position.

The purpose of grants-in-aid defined in the Punjab Education Code was "for the purpose of extending and encouraging private enterprise in Education."

In this connection Mr. Richey the then Director of Public Instruction, North-West Frontier Province, while submitting the new grants-in-aid rules of the Province to Local Government pointed out that Government did not wish to encourage the starting of superfluous schools which only conflicted with and damaged existing institutions. Recent policy was to withdraw the small grants to the less efficient institutions and to give larger grants to better schools.

Consequently the following definition was arrived at:—

"Grants-in-aid are made from Public Funds in order to enable institutions under private management, supplying an educational need, which cannot be supplied by educational institutions under public management in the locality, to maintain that minimum standard of recurring expenditure which is consistent with proper efficiency."

This definition has completely changed the system of award of grants-in-aid under the Punjab rules. Now the first consideration when a school applies for a grant-in-aid is not "are the promoters prepared to find by fees and other subscriptions a certain amount of money?" but "is there a need for school at all or does it only damage existing schools?"

and if so "will the attendance at the school be sufficient to guarantee a considerable income from fees towards the cost of its maintenance?" The second consideration is "is the management of the school likely to be satisfactory and will it conform to the regulations of the Department in the matters of fees, accommodation, etc.?" If these conditions are fulfilled, Government says that it is prepared to recognize the school on condition that managers maintain that scale of staff and expenditure which Government considers the minimum for efficiency and that Government is prepared to assist the management to maintain that scale. As a result of this the new rules of the Province were framed.

(ii) *Present system of Recurring grants.*

(Maintenance grants.)

General Conditions.—Maintenance grants are made from District Board and Municipal funds to primary and technical schools situated in the areas under their control, and from provincial funds to secondary schools.

No grant is made to a school the income of which from fees and endowments is sufficient to maintain it in a state of efficiency, and which needs no further development to meet the wants of locality.

In order to be eligible for a maintenance grant, a school must be recognized by the Department, and must also fulfill the following conditions:—

- (i) The rates of fees levied must not be less than three-quarters of the rates of fees prescribed by Government for institutions of the same class under public management; and the proportion of scholars exempt or partially exempt from fees must not be higher than the proportion laid down by Government for such institutions.
- (ii) The accounts of the income of the school from all sources and its expenditure under all heads must be kept in the form prescribed by the Department, and must be at all times open to inspection by Government. A return showing the monthly income and expenditure of the school during the preceding year must be submitted annually to the Inspector on April 15th in prescribed form.

- (iii) Acquittance Rolls of the staff and menial servants must also be maintained.

Application for Maintenance grant.—Application for maintenance grant must be made in the prescribed form to the District Inspector in the case of primary schools, and to the Inspector in case of secondary schools. The officer receiving the application shall after inspecting the institution forward a report to the Director of Public Instruction, who will decide on the application in the case of secondary schools and in the case of Primary Schools, forward the report, together with his recommendations to the local Body concerned.

In Anglo-Vernacular Schools.

The following minimum scale of staff and expenditure was prescribed for the Anglo-Vernacular schools:—

High Department.

	Rs.
One S. A. V. on	100 per mensem.
One S. A. V. or B. A. on	80 "
One S. A. V. or B. A. on	60 "
Contingencies	60 "
	<hr/>
	300 "

Middle Department.

	Rs.
One J. A. V. on	50 per mensem.
One J. A. V. or F. A. on	40 "
One J. A. V. or F. A. on	40 "
One oriental or science teacher on	30 "
One oriental teacher S. V. on	30 "
One oriental teacher S. V. on	20 "
One J. V. on	20 "
One Drill Master on	20 "
Contingencies	50 "
	<hr/>
	300 "

In all Schools.

(i) The proportion of pupils in average attendance to the number of teachers on the staff must not exceed 40 to 1.

(ii) Not more than 45 pupils may be enrolled in any single section of a class.

(iii) No teacher in permanent employ may receive a salary of less than Rs. 8 per mensem.

(iv) No certificated teacher may receive a salary of less than Rs. 12 per mensem.

Maintenance grants are divided into three kinds:—

- (i) Ordinary maintenance grant.
- (ii) Special grant.
- (iii) Additional grant.

Maintenance grant.—(i) The ordinary maintenance grants are calculated by deducting average monthly income from fees calculated at full rates from the minimum scale of expenditure prescribed for such a school. The difference between the estimated fee receipts and the standard scale will form the amount of grant.

It may appear from the above that the managers of the schools are relieved from all financial responsibilities but this is not so. In the first place they are required to provide adequate building and equipment though here too the Government helps them up to the limit of the moiety of the cost. In the second place the Government only assists a school with sufficient funds to meet the minimum cost of the staff but if the school wishes to keep the staff it will be obliged occasionally to raise their pay. All the additional cost must be met by private subscriptions and endowments.

Special grant.—(ii) A special grant is payable for every teacher of an anglo-vernacular school possessing higher qualifications than those prescribed for his post in the standard scale or possessing the requisite qualifications but drawing higher pay than that assigned to his post.

The special grant is calculated as follows:—

(i) For every graduate or possessor of a Senior Anglo-Vernacular certificate occupying a post assigned to a teacher of lower qualifications an amount of Rs. 20 per mensem.

(ii) For every teacher possessing the requisite or higher qualifications but in receipt of a higher salary than that assigned to his post, an amount equal to half the excess salary.

In the event of a teacher qualifying for grant under both (i) and (ii) the special grant earned under (i) is deducted from the excess salary for the purpose of calculating the grant under (ii).

Additional Grant.—(iii) An additional grant is payable for teachers employed in excess of the standard scale in prescribed circumstances:—

- (i) When the average attendance in any class exceeds 40

and the employment of an additional teacher is therefore obligatory.

- (ii) When the employment of a specialist teacher for a subject requiring expert knowledge, e.g., drawing or typewriting is sanctioned by the Department.
- (iii) When the opening of a special class has been authorized by the Department. In such cases the grants will not be admissible till the class has been in existence for two years with an average attendance of not less than five pupils.

A teacher employed under any of the above conditions is treated as an additional member of the staff for the purpose of calculating maintenance grant carried by the school in which he is employed. His salary is reckoned for this purpose as equivalent to the minimum salary assigned to a teacher of similar qualifications in the standard scale but special grant is also payable for him if his salary exceeds the prescribed minimum.

A. Vernacular Secondary and Primary Schools.

The prescribed minimum scale of staff and expenditure in a recognized Vernacular School is as follows:—

- (i) The proportion of pupils in average attendance to the number of teachers on the staff must not exceed 40 to 1.
- (ii) Not more than 45 pupils may be enrolled in any single section of a class.
- (iii) No teacher in permanent employ may receive a salary of less than Rs. 8 per mensem.
- (iv) No certificated teacher may receive a salary of less than Rs. 12 per mensem.

B. In Vernacular Schools.

(i) When the average attendance of pupils at a school exceeds 70, one of the teachers employed must be certificated.

(ii) A proportion of one certificated teacher for every 70 pupils in average attendance must be maintained. (e.g., in a school with an average attendance of 250 pupils the staff must consist of at least seven teachers of whom three at least must be certificated.)

APPENDIX.

EDUCATION, ENGLAND AND WALES.

Elementary Education:—Regulations for Substantive Grant for the Financial Year 1922-23.

The Board of Education hereby make the following Regulations:—

1. The substantive grant payable by the Board of Education to Local Education Authorities in aid of Elementary Education is payable, subject to the conditions of these Regulations, for the year beginning on 1st April.

2. *Formula for the calculation of the grant.*—The grant payable for the year will be based upon the average attendance, the produce of a rate, and the expenditure of that year, according to the following formula:—

Thirty-six shillings for each unit of average attendance in Public Elementary Schools maintained by the Authority (not including any schools for blind, deaf, defective, and epileptic children*), with the addition of the following amounts:—

- (a) Three-fifths of the Authority's expenditure on the salaries of teachers in those schools;
- (b) One-half of the net expenditure on special services; and
- (c) One-fifth of the remaining net expenditure on Elementary Education;

less the produce of a sevenpenny rate upon assessable value in the area:—

Provided that the expenditure to be recognised in any area will be subject to such limits as are, in the opinion of the Board, necessary in order that the total grants may be fall within the amount voted by Parliament for that purpose.

3. *Calculation of Expenditure.*—In calculating expenditure for the purposes of these Regulations the Board will ascertain the expenditure of the Local Education Authority from the Education Account prescribed by the Education Accounts (Annual Statements) Order, 1921 but will exclude—

- (a) Expenditure which in the opinion of the Board of Education is attributable to any service in respect of which payments—not being payments under the Agricultural Rates Act, 1896 (59 & Co. Vict. c. 10)—are made by Government Department other than the Board of Education;

Thus the expenditure on Industrial Schools will be excluded, being a service in respect of which payment are made by the Home Department.

- (b) Any sum applied towards the repayment of a loan raised under the Education (Provision of Working Balances) Act, 1903 (3 Edw. 7, c. 10);
- (c) Payments to another Local Education Authority (including payments for "special services") in respect of children for whom the paying Authority is responsible;
- (d) Any expenditure not recognised by the Board as expenditure in aid of which Parliamentary Grants should be made to the Authority.

*Schools for blind, deaf, defective and epileptic children are included among the special services [see Article 11 (c).]

4. *Maximum limit.*—The grant shall not, except as provided in Article 6 below, exceed the greater of the two following amounts:—

- (a) Two-thirds of the net expenditure;
- (b) The excess of the net expenditure over a sum comprising the produce of a rate of twelve pence upon assessable value in the area, together with the grant under the Agricultural Rates Act; and if the grant calculated under the formula would exceed this maximum limit it shall be reduced accordingly.

5. *Minimum limit.*—The grant shall not be less than one-half of the net expenditure, and if the grant calculated under the formula would fall short of this minimum limit, it shall be increased accordingly.

6. *Additional grant in highly-rated areas.*—(i) In those areas in which the grant calculated as above would, when added to the grant under the Agricultural Rates Act, fall short of the net expenditure by a sum exceeding the equivalent of a rate of the prescribed amount, an additional grant equal to the prescribed proportion of the amount of such excess shall be payable.

(ii) The "prescribed amount" and the "prescribed proportion" for the purposes of this Article are subject to periodical revision. For the year 1922-23 the prescribed amount is forty-eight pence and the prescribed proportion is one-half.

(iii) Additional grant under this Article shall not exceed such additional grant as would have been payable had the Estimates, passed by the Authority and adopted by it as the basis on which the education rate was levied in the area from the beginning of the year, proved to be correct.

(iv) If in any area these Estimates show an increase over the expenditure on which the additional grant for 1921-22 was calculated, the Board may exclude the excess or any part of the excess from the expenditure upon which the additional grant under this Article will be calculated.

(v) In considering any claim under this Article the Board will have regard to—

- (a) The standard of expenditure in other areas not receiving additional grant under this Article;
- (b) The special circumstances of the area; and, if they are not satisfied that due economy has been observed in the area, may limit the amount of the expenditure in respect of which they will pay additional grant.

(vi) In order to receive additional grant under this Article the Authority must, at the time when it forwards its Estimates to the Board, furnish full explanations for the purpose of satisfying the Board on these points: and provisional inclusion by the Board of expenditure for the purpose of determining the instalments payable in the year is not to be regarded by the Authority as committing the Board to the final approval of it for the purpose of this Article.

7. *Conditions of grant.*—The grant is conditional upon the Board being satisfied that the Authority—

- (i) has performed its duties under the Education Acts;
- (ii) has complied with the conditions of the Regulations of the Board for Public Elementary Schools, special schools, and other special services;
- (iii) has supplied punctually such information and returns as the Board require.

If the Board are not satisfied on any of these matters they may withhold or make a deduction from the grant.

If a deduction is made exceeding five hundred pounds or the amount which would be produced by a rate of a half-penny in the pound whichever is the less, a report stating the amount of and the reasons for the deduction shall be laid before Parliament (Education Act, 1914 Sect. 43 (6)).

8. *Proviso to Article 5 and 6.*—The grant shall not be increased under Article 5 or Article 6 so as to make good to the Authority any sum withheld or deducted from the grant under Article 7.

9. *Installments.*—The grant will be payable by installments—

- (a) A sum estimated to amount to 90 per cent. of the grant payable for the year will, subject to the provision by Parliament of the necessary moneys, be payable by monthly installments on account during the year.
- (b) The Board may also pay by way of installment during the year any further sum that appears to them to be payable in order that the provisions of section 11 (2) of the Education Act, 1918, may be satisfied.
- (c) If after end of a year it is found that the expenditure of that year would justify further installments being paid pending final adjustment, such further installments as the Board direct, based on returns of the average attendance, the expenditure, and the produce of a rate for the year, may be paid before audit.

10. *Final Adjustment.*—The grant will be finally adjusted after the audited accounts for the year and any other returns required by the Board for the purpose have been received and examined.

It will be calculated to the nearest pound, a fraction of a pound in the final result being ignored or reckoned as a pound according as it is, or is not, less than ten shillings.

10. (a) Payment of grant will not be made more than once in respect of the same expenditure; and in determining the amount of grant payable for the year under these Regulations, account will be taken of any payment made or to be made under Grant Regulations, No. 2, in respect of the same year.

11. *Definition of Terms.*—For the purposes of these Regulations—

(i) "Average attendance in Public Elementary Schools" means the average attendance, as computed in accordance with the Regulations for such schools, for the twelve months beginning on the 1st April.

(ii) "The produce of a rate" will be calculated in the manner prescribed by the Education, (Produce of Rate) Order, 1903, and the Education (Produce of Rate) London Order, 1901, and in the area of a Local Education Authority, not being a County Borough, it will be calculated upon the County Rate basis.

(iii) "Net expenditure" means expenditure as calculated under Article 3, less all receipts relating thereto except receipts from rates, or from grants, or under the Agricultural Rates Act, or from another Local Education Authority (including receipts for "special services") in respect of children for whom that Authority is responsible.

(iv) "Expenditure on Salaries" means gross expenditure on salaries of teachers in Public Elementary Schools without making any deductions under the Elementary School Teachers (Superannuation) Acts. Salaries will be reckoned in money payments only and will not include the estimated value of other forms of emolument, e.g., house accommodation.

(v) "Special services" consist of the following:—

(a) School Medical Service, including Medical inspection and Medical treatment of children attending Public Elementary Schools;

(b) Provision of Meals;

(c) Schools for blind, deaf, defective and epileptic children;

(d) Organisation and supervision of physical training in Public Elementary Schools;

(e) Evening play centres; and

(f) Nursery schools.

12. *Final Decision of the Board.*—If any question arises as to the interpretation of these Regulations, or as to the inclusion or exclusion of any items of receipt or expenditure for the purpose of calculating the grant, the decision of the Board shall be final.

13. These Regulations may be cited as the Elementary Education (Substantive Grant) Regulations, 1922.

Given under the Seal of Office of the Board of Education this 11th day of July, 1922.

L. A. SELBY-BIGGIE,
Secretary to the Board of Education.

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